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NATIONAL MUNICIPAL LEAGUE

National Municipal Review

Editorial Comment

Managing Rural Counties

IN AN article in this issue of the REVIEW, Howard M. Kline, of the University of Maryland, raises the question as to whether the county manager plan is feasible in small rural counties and brings evidence to bear from Maryland that it is not.

The question is not a new one. Some years ago Kirk Porter, of the University of Iowa, and Wylie Kilpatrick, then research professor at the University of Virginia, among others, recognizing the increasing trend toward state control over county functions, posed the query as to what there was or would be left for the manager to manage. There are, of course, two obvious solutions to the problem of rural counties everywhere: (1) Expand the area of administration to cover an area with population and assessed valuation sufficient to justify the employment of competent public servants; (2) permit the state to take over functions heretofore deemed local in character.

Six counties now operate under the county manager form of government. They are Sacramento County, California; Monroe County, New York; Durham County, North Carolina; Albermarle, Arlington, and Henrico Counties, Virginia. Merely to list such counties reveals a significant fact—that each one of them includes within its jurisdiction an area which is either urban or suburban in character. Mr. Kline recognizes that in Maryland an opportunity for a manager exists in each of the suburban counties.

On the basis of such information, we might conclude that the county manager form must of necessity be limited to use in counties of this kind. At this point one is tempted to quote the French philosopher, that "all generalizations are false, including this one," for it is self-evident that in any human enterprise, of whatever magnitude, the factor of management is the one which represents the difference between success and failure, efficiency and inefficiency.

This is true of everything from a hot dog stand to General Motors. The only question to be answered is where such management shall lie; that is, whether greater effectiveness can be obtained through managing a county as a unit or through managing a particular function throughout the entire area of the state.

The answer will vary as between states. In a relatively small homogeneous state with a fine tradition of effective state government, such as North Carolina, the trend toward state con-

trol appears inevitable and may be well. In North Carolina it may not be unreasonable to have the entire rural area managed directly by the state government as the forest area in Maine is administered. In other states which come readily to mind, however, such a solution, within the near future at least, is unthinkable, and in such states it would seem intelligent to enlarge the area of rural administration to form an effective unit of local self-government —what Richard S. Childs so aptly termed a genuine "rural municipality."

Whichever direction the government of rural areas may follow in a given state, there are problems of law and tradition that will have to be solved. The maze of local laws on the books of most states will have to be shorn away and the existing tangle of overlapping governments eliminated. As a prelude to such development, the county must be no longer thought of as a comparable entity either as between states or within the borders of a given state. Henrico County in Virginia is much more comparable to Monroe County in New York than it is to its own rural neighbors. The classification of counties—indeed of all units of local government—in accordance with land use is an essential prerequisite to ultimate solution of these difficulties. To the citizen and taxpayer, however, in the final analysis the important thing is that *something must be done*. An inefficient and ineffective unit of local government cannot long remain the basis for the operation of democracy in a period such as the present.

A Reversal of Form

THERE are hundreds of cities but only a handful of counties in the United States which can qualify as being well governed. Obviously, most of these well managed cities are in badly managed counties. And very often the county political machines deliberately sabotage the well run cities within their boundaries.

Henrico County and the city of Richmond, Virginia, which it surrounds on the northern banks of the James River, seem to provide the exception.

Five years ago Henrico County adopted the manager form of government. Since then it has made an enviable record for intelligent, efficient, progressive administration, has put effective brakes on waste, and has generally given its taxpayers much more for their money than they had ever had in the past.

While these accomplishments were attracting nation-wide attention they were observed also in Richmond which, although virtually surrounded by Henrico County, is not legally a part of it. A movement for a similarly organized administration has been

gradually taking form in the city, which is still among the little handful of municipalities with the all-but-forgotten two-house local legislature—a city council plus a board of aldermen.

Now a thoughtful citizen of Richmond comes forward with the unusual but logical suggestion that the county annex the city. There are many residents of the city, he says, who would like to be in the county and under its administration. He calls attention to the county's system of zones, sanitary districts, and scientifically worked out tax differentials based on comparative service.

The county's "outstanding tax dollar values in public service and management would be difficult to equal anywhere," he argues, "and the relatively small outstanding debt leaves a larger part of taxes for actual service and improvements." He cites other points of superiority such as schools and school buses (free in the county but charged extra in the city) as evidence that the county has developed a "get-what-you-pay-for system" which might advantageously be applied to the city.

It's a challenging suggestion. Cities which have solved basic problems and have built up fine traditions of good government might well annex their surrounding counties; and there is even greater reason why a well run county should take a less well qualified city under its wing. It's about time we drop silly habits and put city-county consolidation on a logical basis.

The Voters, Not the Plan, Failed

LAST month Trenton, New Jersey, voted to abandon the council-manager form of government which it had had for four years. Careless thinkers are beginning promptly to refer to the "failure of the manager plan in Trenton."

The simple truth is that the *plan* did not fail. In 1935 the outgoing commission handed the new government a bonded debt of $23,000,000 which had been increasing at the rate of $700,000 a year, with not even an attempt to reduce it. Four years of council-manager government reduced the debt by $2,200,000, in addition to obtaining lower rates of interest on the remaining debt.

Meanwhile the police department (in which there had been a bad scandal under the commission) was reorganized and modernized, and is considered the best the city has had, with statistical proof of this to be found in a considerable reduction of crime. A department of purchases and supplies, in place of the old individual departmental buying, resulted in striking economies and better methods. There were

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The Party Is the Crux

W. E. MOSHER, *Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University*

"Why does our common sense not impel us to so modify the character of party control that it will serve as an instrument of progress rather than an obstacle to it?"

IT HAS been predicted that, in evaluating the decade through which we are now passing, the historian of twenty-five years hence will characterize it as a decade of social revolution. The most striking feature of this revolution is unquestionably the progressive expansion of public activities on many fronts which heretofore have been held sacred to private enterprise or have been nobody's business. In many respects private business has been made subject to government supervision. The public has gone into the construction business on a large scale. Its forays into the utility field are too well known to require more than passing mention. Social welfare is a major governmental activity. Federal responsibility for millions of people in want, for those physically and mentally handicapped, for the preservation of the health of the underprivileged is now accepted as a matter of course.

In the space of less than a decade the universally accepted slogan that the best governed people is the least governed people has lost its potency. Despite these epoch-making expansions of governmental activity on every level, the driving and directing forces of government, the political parties, are still committed to the tender mercies of professional politicians. It is true that here and there the public servant type of politician has displaced his professional brother whose dominating motives have been and are personal gain and vanity.

It seems to be as little appreciated today as it was a decade ago that the substructure of the vast business of government is the organized political party. One may liken the public business to a pyramid, the base of which is the political party. The efficiency, the costs, and the quality of the public business are definitely determined by the leadership and character of the political parties in every jurisdiction.

In literally hundreds of municipalities and states the machinery of carrying on the day-by-day business of governmental units is, as it has been in the past, but an adjunct to the party in control. Thus we find examples of Republican administration as well as Democratic administration of public affairs. Impartial administration in the interest of all citizens concerned is something to be longed for but never realized in such communities. Whether Republican or Democratic, the management is likely to be made up

of amateurs who would be lost without the traditional and outmoded practices which they have inherited. A premium is placed not on expertness but on local residence and the right party label.

Our citizenry which customarily leaves politics to the politicians is paying a staggering price for its apathy. Occasionally it grumbles at the high tax bills, but only rarely, and then spasmodically, does it bestir itself and make itself heard in the political arena. New York City goes into such a spasm about once every fifteen or twenty years. In other words, we have become politically-minded, but not party-minded.

CITIZEN RESPONSIBILITY

Democracies cannot be called going concerns in the long run until a great number of convinced *democrats* assume the responsibility of partisanship. How undemocratically our democratic machine is operated can be tested at the polls in most communities on any typical election day. The average voter finds himself confronted with a list of names of candidates whom he does not know, or if he does know them, he looks at them askance.

One is reminded of the saying of H. G. Wells to the effect that elections are no longer elections, they are rejections. If the average voter should aim to vote only for those whom he considers suitable representatives of his interests and point of view, his checks on the ballot would be as sparse as hens' teeth. Many a man would sympathize with the statement made by a loyal party man, a clergyman, who went to the leader of his community and said, "I have always been a good Republican, but I do hate to have to hold my nose when I go to the polls and cast my ballot for the names found on the Republican ticket."

It has often seemed to me as I go to the polls that my fellow citizens were to be compared to the members of a Greek chorus, whose cue brought them on the stage at the very end of the last act of the play when they were given the privilege of singing out yes or no. Like the Greek chorus, they had had nothing to do with the selection of the characters or with the progress of the action of the play. Like the Greek chorus they had to content themselves with only the most obvious and harmless comment.

It is more than passing strange that we who pride ourselves on our democracy and who are supporting probably the most expensive school system in the world, having as its primary purpose and aim the training of every youth for democratic citizenship, have become like puppets whose strings are pulled by self-seeking manipulators behind the screen.

This leads to a comment on the educational policies of the schools. It would be difficult to conceive of a civic education that is generally so far removed from the

realities of public and particularly political life as that to which our youth is subjected. Although there are some exceptions to this generalization, in the majority of schools woe be unto the teacher who dares to handle vital and "hot" subjects. For example, the local boss of the dominant party is unquestionably the most important actor on the local scene. How many teachers in dealing with the subject of civics and government dare describe the activities, the motives, the rewards of the local boss?

THE SCHOOL'S RESPONSIBILITY

Every teacher and every student in the United States is living in the midst of a complicated governmental machine. The teacher has his laboratory immediately at hand, but how many of them use this laboratory? Indeed, how many of them have had the training which would enable them to use this laboratory effectively? Government, which ought to be the best taught and most exciting subject in any school, is generally the worst taught, and in more than one poll has been voted the most uninteresting. One of the series of publications of the New York State Regents' Inquiry reports upon the surprising ignorance of a broad sampling of students with respect even to the communities in which they live.

It would be interesting if a Gallup or Fortune poll were taken of the attitude of senior students whether in high school or college as to politics and political activity. I should be surprised if such a poll would not show that the great majority of young people in these classes vote politics a messy business, and indicate further that they have no intention of being contaminated by it. In view of the considerations above, this result is not at all surprising. Indeed, it may be said that our young people are positively conditioned to become poor *democrats* by the combined influence of the schools, the newspapers and magazines they read, and their home and other contacts.

Beyond this, in scores of communities exceptional young adults who, despite their schooling have gained some notion of the importance of party activity by way of an avocation, are subject to the severest sort of discipline. If they show any tendency toward independence, to say nothing of reform, in political matters, they are quickly brought into line. Business, professional, financial, and social pressures are constantly at work and operate ruthlessly to see that irregulars become regulars, or at least acquiescent.

As Lincoln Steffens found in his study of rotten cities, respectable business and professional men and community leaders were so in cahoots with the dominant political machine that they were ready to lay the heavy hand of their discipline upon would-be reformers or independents, however badly and expensively run the local government might be.

These same men will condemn Congress, their state legislatures, and even their local councils, while at the same time they lend their effective aid to hushing criticism and keeping recalcitrants in line in the home town.

If I may digress at this point, I would comment on the very limited amount of informed and continuous criticism of local and state public affairs in this country, particularly in localities dominated by a single party. Community councils are the exception rather than the rule. Only a relatively small number of municipal and state bureaus of research are in operation. Many places lack an opposition newspaper. Citizen pressure and reform groups operate effectively only in scattered localities.

VOTERS UNINFORMED

On the other hand, governmental authorities feel little or no responsibility to keep the citizenry informed of their stewardship. For example, most cities in New York State have not issued an annual report for years. How can Mr. John Citizen be expected to find his way in the growing forest of government trees? If he wanted to do anything about the waste and inefficiency which he sees or senses, he would not know how or where to begin. He and all of his kind are sorry partners in a coöperative enterprise, such as a democracy is said to be; they easily become fair prey for technocrats and "ham and eggers." An ignorant and apathetic citizenry within a democracy is not alone to be deplored, it is to be looked upon as a menace.

To return to my theme, there is a woeful lack of appreciation of the importance of feeding into the political parties locally wide-awake, critically-minded, intellectually alert, and socially-minded young people—because finally it is from the reservoir of local politicians that state and federal politicians are derived. The absence of such a recruiting policy has resulted in a dearth of promising candidates for important elective offices. It has also resulted in the ineffectiveness, some say bankruptcy, of Congress in these recent crucial years.

The difficulty with Congress, as I look at it, is that taken by and large it has lacked the intellectual calibre requisite for dealing with the staggering problems of national economy with which it has been confronted. In a lesser sphere the same thing is true of state legislatures. We are passing through a time when a premium is placed on creative thinking. We lack traditions and precedents for the handling of such momentous problems as society in this revolutionary day and age must master. But men of ideas, as was pointed out above, are so conditioned that they are not likely to have anything to do with party politics, and what is more, such men would find little welcome among party politicians if they had ambitions in this direction.

However much I am convinced that democracy is the only sort of government worth having and the only sort of government which in the long run will succeed, I believe that a realistic appraisal of the present status of democracy in this country cannot fail to depress one. The parties as at present constituted and conducted are, in my opinion, unequal to the task of keeping democracy afloat. The hope for its continuation rests squarely on the shoulders of youth —the generation in their twenties and the generation which will soon assume the voter's toga.

POLITICS AS AN AVOCATION

Our supreme task consists in stimulating the more intelligent members of these generations to become party politicians by avocation. Above all else they must realize that the primary elections where party representatives are selected are a dozen times more important than the regular elections. They must not alone vote at the primaries but also see to it that they have a chance to vote for their own kind. This may mean circulating petitions and impressing one's friends into this type of public service.

They must learn that in a democracy the parties are the thing. Policies are determined by legislators who are named by party leaders. The day-by-day administration of government is likewise strongly influenced, if not determined, by the attitude of party leaders toward the public business. Political apathy is our curse. It explains incompetency in high places, it is the cause of the spoils system and the resultant backwardness and inefficiency in the carrying on of the administration of government.

That my readers may not take me to task for seeing only the shadows in the picture, I gladly admit that there are bright spots here and there which give support to the optimist. As noted above, a scattering number of what I call citizen politicians are coming on the scene, men like Taft, T. V. Smith, Saltonstall, Vanderbilt. The re-election of La Guardia in New York City was a heartening event.

The tide of civil service reform is on the rise, although the recent setback in the state of Arkansas gives one pause. The recruitment of able young people on the basis of potential capacity and the adoption of a career service program in a number of progressive jurisdictions are promising signs, pointing to a higher level of administration. The city manager movement is holding its own and gaining fresh adherents.

The organizations of public officials with headquarters in Chicago are moving forward in the professionalization of the public service, setting up standards, formulating principles and applying research methods to the solution of administrative and procedural problems. Indeed, outstanding administrators have come to realize that research and in-

vestigation and long-range planning are important tools in the performance of their tasks.

Finally, citizen research and propaganda agencies are effectively operating in many communities and a few states. Among these the League of Women Voters is performing valiant service, particularly on the state and federal levels.

These are heartening signs. They give promise of a better day in this huge business of public management. They point the way to citizens who would make themselves count in their official business of citizenship. But overtopping all such movements looking toward the improvement of governmental processes is the stubborn opposition of party control and management. The League of Women Voters is always fighting an up-hill fight because of the resistance of legislators whose primary loyalty is to the party leaders. Michigan reformers bring about the passage of a good civil service law and the establishment of a well manned agency only to see both threatened by a turn in the political tide.

How incongruous, how irrational it is that the political parties, the citizens' instrument for controlling government, so consistently balk and thwart efforts for improving the conduct of government! Our servants have indeed become our masters. Only by elaborate and expensive campaigns, publicity, and lobbies can the party representatives be moved to adopt obviously progressive measures. If the same amount of effort were directed to the nomination and election of really representative candidates for the party councils at the primaries, the returns would in the end far exceed the gains now won through the methods just mentioned.

Who will deny that the parties are at the root of the matter, whether it be in the field of legislation or administration? Our traditions lead us to accept the customary type of party control as an obstacle to be overcome when we are interested in progressive measures. Why does our common sense not impel us to so modify the character of party control that it will serve as an instrument of progress rather than an obstacle to it? Such a modification is ours for the seeking if we think it worth while to pay the price.

CITIZEN PARTICIPATION NECESSARY

The attitude of the typical American has been and is that government is largely a routine to be administered and that the task of administration can be left to the politicians who are interested in such matters. If the leaders of the parties see fit to nominate good men for public office, that is all to the good; but if on the other hand they nominate second or third raters, that is just one of those things to be regretted per-

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Planning for Seven Million: Year One

By PHILLIP B. THURSTON, *Secretary*
New York City Planning Commission

Adequate planning has been conspicuous by its absence in New York City, but commission created by new charter gives promise of placing city in the forefront of well planned communities.

PLANNERS and others hoping for some order out of the sordid chaos of American municipal government are watching the operation of the New York City Planning Commission, one of the important creatures of New York's new charter,[1] with keen interest.

The many changes wrought by this charter,[2] the large powers and responsibilities vested in the commission, and financial stringencies generally have conspired to make the first year of the New York City Planning Commission one of slow but steady growth which needs must continue for several years before a full synthesis of its functions can be achieved.

In New York City, before the advent of the commission, what little general planning there was had been carried on by such temporary official agencies as the Mayor's Committee on City Planning, by some department heads, notably the park commissioner, or by privately endowed planning agencies such as the Regional Plan Association and its predecessors.

The seven commissioners are appointed by the Mayor for staggered terms of eight years each, so that no mayor during a single term can appoint a majority. Safeguards provide against reductions in the salaries of members except in case of general and proportional reductions and provide for removal from office only on charges with opportunity for a hearing, with the assistance of counsel, before the Mayor. The vital sections of the charter creating the commission and relating to planning cannot be repealed or amended except by popular referendum.[3]

A unique feature of the planning provisions of the charter is the creation not only of a City Planning Commission of seven members but of a Department of City Planning, whose head is the chairman of the commission. This department embraces the technical and clerical staff which prepares and carries out the work leading to action by the commission. Thus there are two distinct entities, the City Planning Com-

[1] This charter was adopted on November 3, 1936, by a popular vote of 952,519 to 603,072, and went into effect January 1, 1938.

[2] Provisions describing the City Planning Commission may be found in the New York City Charter, sections 191 to 224.

[3] *Ibid.*, section 40 (17) and (18) applying to sections 191, 192, 193, 199, 200 and 224.

mission and the secretary appointed by it and the Department of City Planning, i.e., the staff,[4] tied together by the chairmanship.

In addition, each of the five borough presidents appoints an advisory planning board of three members for staggered terms of six years each, who serve without compensation to advise the commission and the borough presidents on planning matters within their respective boroughs.

The commission took office January 1, 1938, with A. A. Berle, Jr., former city chamberlain, as acting chairman. The other commissioners appointed by Mayor La Guardia are Lawrence M. Orton, planner, formerly actively associated with the Regional Plan Association and the Mayor's Committee on City Planning; Cleveland Rodgers, former editor of the *Brooklyn Daily Eagle;* Edwin A. Salmon, architect; and Arthur V. Sheridan, formerly chief engineer of the Bronx. The sixth appointment has not yet been made. The chief engineer of the Board of Estimate is a member by virtue of his office.

Within three months of the date of his appointment President Roosevelt called Mr. Berle to Washington as assistant secretary of state and for a month Vernon S. Moon, chief engineer of the Board of Estimate, functioned as acting chairman by designation of the Mayor until R. G. Tugwell, formerly under secretary of agriculture, was appointed permanent chairman in April.

[4] *Ibid.*, section 195 providing, "There shall be such engineers, architects, experts, and other officers and employees of the department as may be required to perform its duties and within the appropriation therefor."

ORGANIZATION OF COMMISSION

At its first meeting the commission appointed a lawyer as secretary and Chairman Tugwell has organized the department under an administrator with four divisions: capital and assessable improvements, mapping and zoning, master plan (physical design of the master plan), and research and reference (economic and social basis for the master plan).

At the outset one-third of the staff of the chief engineer of the Board of Estimate, twenty in number, were transferred to the commission. Gradually, especially during the last half of the year, the staff has been increased, largely by transfer from other city agencies because of corresponding changes of function under the new charter, until it numbers sixty-six. (Ten of these positions had not been filled at the end of the year.) Except for the commissioners appointed by the Mayor and two exempt secretaries, one of whom was chosen from civil service lists, all of the positions in the department are in the classified, competitive civil service.

The first year of the commission has been one of great activity in public improvement. During 1938 matters referred to the com-

mission by the Board of Estimate, received from other city agencies, or initiated by the commission, numbered 738, on which the commission held 287 hearings and adopted 495 reports rendered to the Board of Estimate.

MATTERS HANDLED BY CITY PLANNING COMMISSION
January 1, 1938, to December 31, 1938

Cases	*Referred by Board of estimate*	*Received from Borough Presi-dent etc.*	*Petitions*	*Initi-ated by C.P.C.*	*Total Projects*	*Withdrawn or filed*	*Hear-ings Held*	*Reports to Board of Estimate*
Zoning	30	9	32	22	93	12	93	66
Map Changes ..	273				273	12	133	128
Drainage Plans .	43				43		30	30
Assessable Improvements ..	193				193	2		162
Sites	28				28		1	20
Acquisition of Streets	42				42			39
Parks and Playgrounds	24				24		17	17
Subdivision Maps		22			22			18
Parkways	10				10		10	10
Waterfront Plans	3				3		2	2
Grade Crossing Eliminations .	1				1		1	1
Miscellaneous ..	6				6			2
	653	31	32	22	738	26	287	495

Plans for various projects were submitted by the borough presidents, the park department, and other agencies. Maps for advertising hearings and reports, based on inspections and studies of the commission, were prepared by the department. Much of this work was done under adverse conditions by a small engineering staff, subject to continual pressure to conform to legal requirements as to time and procedure, and in response to urgent demands of other branches of the city government. Many physical changes, including new thoroughfares, sewers, and street widenings, were expedited in preparation for the New York World's Fair of 1939.

City planning is a new function, however, and it cannot be expected that any staff so assembled can operate effectively without additional training and experience. The department therefore coöperated with the New York State Department of Education and the Municipal Training Institute of New York State in the development of a New York City Regional Training School held in February 1939. Further opportunities for in-service training are being planned.

In its effort to create a suitable staff, the commission fortunately had the coöperation of the Municipal Civil Service Commission, which has now approved the establishment of an "economist" classification and a "city planner" classification. The former is one of the few such classifications existing in any city government and should prove useful to other city agencies. The latter classification will, it is believed, permit the master plan to be developed as it should.

THE MASTER PLAN

The first and most significant task assigned to the commission by the charter is the preparation of a master plan. It is the basic key to the planning provisions but it is the one upon which least work has been done since this division really did not get under way until November. In a very real sense the master plan will be dynamic. Unlike the city map, it will suggest rather than fix the location of future improvements. It will become the basis for progressive amendments to the city map, and a guide to capital budgeting. In addition it will influence construction programs and policies of state and federal agencies. Not only is it concerned with public improvements and their location, but also it must indicate desirable trends and locations for semi-public and private construction, so that these may fit in with an agreed pattern for the future structure of the city.

The commission is the custodian of the city map. All changes in the master plan and city map must be referred to the commission. The old zoning powers of the Board of Estimate have been transferred to the commission with a certain veto power retained by the board. A new provision limits taxpayers' petitions for zone changes to April of each year, although the commission may initiate a change at any time.

Another important function relates to the subdivision or platting of land into streets, avenues, or public places and blocks within the limits of the city, maps for which come before the commission for approval. The divisions of master plan and mapping and zoning are studying this problem and are drafting detailed requirements for developers which the commission hopes to put into effect soon.

Perhaps the new instrumentality most important of all to tie together all aspects of city planning in a realistic and orderly fashion is the provision for the initiation of the capital budget for the following year and a capital program for the five years thereafter by the commission.[5] The budget is subject to approval by the Board of Estimate and the City Council which can only eliminate items, but the capital program is under the sole control of the commission. Once adopted

[5] *New York City Charter*, section 217. See also other sections of chapter 9 dealing with the capital budget.

the budget may be amended or modified only upon a recommendation adopted by a two-thirds vote of the commission.

Experience in developing the capital budget for 1939 and the capital program for 1940-1944 made it clear to the commission that in the future three fiscal problems must be considered—assessable improvements, assessed valuations, and further sources of revenue.

At present assessable improvements when financed by assessment bonds have to be deducted from the borrowing capacity of the city; but they are not regulated under a budgetary system in the same manner as are other physical improvements made by the city. They affect the physical structure of the city in the same manner as expenditures under the capital budget. In view of this situation it is the opinion of those concerned with these matters that assessable improvements should be so included.

BOARD OF ESTIMATE HAS VETO

In the emphasis on the powers of the commission, sight must not be lost of that vital spark of representative government which has been carefully preserved by the framers of the charter in the power of the elected Board of Estimate to overrule the commission, but only by a three-quarters vote. In the first year of the commission, the Board of Estimate has overruled only a few minor reports out of 495, although some were roundly debated.

There are some kinks and wrinkles in the wording of some of the charter sections relating to planning to be worked out through court decisions and amendments. Some test cases are already on their way to a final decision and it is to be hoped that in the final analysis the courts will construe ambiguities in the same liberal fashion with which they generally approached zoning a quarter of a century ago.

Printed calendars are published for each regular meeting and rules for the conduct of business have been adopted. Notices of hearings and minutes are published regularly in *The City Record,* the official city daily newspaper. Pamphlet minutes are published monthly and an indexed, bound volume annually, the first of which is about to come off the press. Because of numerous inquiries as to the powers of the commission, a mimeographed excerpt of all the sections of the charter and administrative code relating to the commission has been made available.

As the commission is a new body with large enumerated powers, but without particular precedent here or elsewhere, numerous legal forms for its calendars, reports, resolutions, minutes, and other public procedures had to be formulated. It has been the duty of the office of the secretary to prepare these. In the preparation of such material, it

has been necessary to draw analogies from other agencies, especially those which performed such of the present technical business of the commission as was carried on previously.

The predecessors already mentioned left a legacy of information but no governmental precedents. Changes in the wording of the building zone resolution, the zoning maps, and the city map were transferred from the old Board of Estimate and Apportionment to the commission for hearing and determination. Hence a large body of precedent for the preparation of calendars, hearings, reports, and resolutions of the commission was found in the minutes and records of that board. This was true also of the Bureau of Engineering, which furnished the old board with its more detailed reports.

Problems relating to the use of city property, especially waterfront land, were formerly handled by the Sinking Fund Commission which disappeared with the old charter, and the minutes of this commission were helpful. Since there had been a capital outlay budget, handled by the Bureau of the Budget, for only a few years, the greatly enlarged provisions for the capital budget and five-year program in the new charter meant the development of new instruments of procedure for the handling of these matters.

At present the last of these tasks is in sight, that of the procedure regarding the adoption and modification of the master plan, something which New York City has never known. The nearest analogy is the history-making task a quarter of a century ago of preparing and adopting the building zone resolution under the direction of the Committee on the Height of Buildings.

REZONING NECESSARY

By the time the commission has begun to function fully under all the provisions of the new charter, another formidable task will need to be undertaken, that of drafting, obtaining public comment upon, and adopting an entirely new zoning technique adequate to the city's needs. New York's zoning resolution was a pioneering work. But it was a cautious and conservative one. This may have been justified once; indeed it is often pointed out that the New York zoning laws never suffered a major setback in the courts. But the caution which was once possibly justified by the need to conciliate the courts has long since become a handicap. Other communities have gone far ahead. This experience, together with thousands of legal decisions—over five hundred in New York State alone—furnishes a rich background upon which to build anew. This work must be undertaken at once. Much of the spade work and general direction has been pointed by studies of the Mayor's Committee on City Planning.

Pending a basic revision of the building zone resolution, the com-

mission is about to undertake numerous minor alterations primarily to bring the wording in tune with the new charter. Because of the large amount of rezoning, new zoning maps will soon be needed and due to numerous public improvements, largely for the New York City World's Fair of 1939, the same is true of the city map, although both were recently brought up to date by the chief engineer before his custody was transferred by the new charter to the commission.

Among the many valuable products the commission received from its predecessor, the Mayor's Committee on City Planning and the WPA projects it sponsored over several years, is a scale model of New York City which is being exhibited at the entrance to the New York City building at the fair.

HOUSING PLANS

One of the important elements in modern planning is housing. With Mayor La Guardia's local housing leadership through the city occupancy tax to pay the interest on city housing bonds, and with the state housing amendment to the constitution, which it is hoped will be implemented with adequate legislation and funds this year to supplement federal housing funds, the development of low-cost housing sites and relating them to city planning is one of the most important single problems facing the commission. Chairman Tugwell served as a member of the Mayor's committee to draft state housing legislation which resulted in the first bill introduced at Albany with complete reference to planning problems.

In the field of zoning perhaps the outstanding achievement of the commission was the creation of a new "G" area district limited to single family homes for the first time in the history of New York City zoning. Already three home areas in three different boroughs have been placed in this district at the request of a large majority of the home owners themselves and several more applications are pending.

In extent of area covered—over 11,000 acres—and variety of rezoning in the city, the changes in the first year of the commission establish a new record for action. Yet they represent but a meagre beginning in correcting the wide discrepancy between the areas actually used for business and industry in the city and those zoned for these purposes. Similarly they represent slight progress toward establishing a realistic relationship between permitted building bulks and those which may be anticipated and should be encouraged in the future.

With parks, parkways, playgrounds, health, hospitals, and schools, the commission has had a busy year but the details of these steps must be left to the annual report and a reprint of the

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A State Department of Local Government

By SAMUEL D. HOFFMAN, *Member New Jersey Local Government Board*

New Jersey pioneers in the field of guidance, supervision, and control of its local subdivisions; study of entire field of local government to be undertaken.

THE state of New Jersey in 1938 took the first step in a program which, if successfully consummated, should inaugurate a new era in improved management and more efficient conduct in local government.

No one can gainsay the fact that on the whole the problems of local government are becoming more complex, the burdens of the taxpayer increasingly onerous, and the responsibility on public officials increasingly grave.

There is of course no panacea for these ills, no simple solution which will bring sudden release from the cares which confront both official and taxpayer. It has been and will continue to be a long, uphill fight, slow moving and discouraging at times, step by step toward the accomplishment of many objectives, some of which in all probability may never be accomplished in our day.

Nevertheless, it must be obvious that, unless actual corrective efforts of a positive nature are undertaken, not only will those objectives never be reached, but the present undesirable conditions will become progressively worse.

With this in mind the Princeton Local Government Survey of Princeton University gave much time and effort to a study of one of these objectives, the improvement of fiscal administration in local government in New Jersey. Out of these efforts came the passage of four bills by the 1938 legislature which created the foundation upon which this objective might be achieved.[1]

THE "PRINCETON BILLS"

Until the passage of this legislation there was no single specialized state agency treating the problems of local government, there was no authority for uniform itemization and classification of service appropriations, there was no effective control over emergency appropriations, there was no adequate or effective plan for capital expenditures, nor was there any uniformity in local accounting methods and practices.

Of course, in many instances, where the size of the municipality required it or where the local municipal officials demanded it, private accountants have done a good job. The fact remains, however, that in the great majority of instances no uniformity either of accounting methods or of financial administration existed, nor was there any authority which could require it.

[1]These bills when enacted into law became Chapters 127, 128, 158, 159 of the laws of 1938.

Because of this lack of uniformity in the maintenance of fiscal records and the lack of a standard and uniform basis of budgeting expenditures, it was an impossible task to make a true comparison of service costs in the various municipalities. Without such an honest basis for comparison it has been extremely difficult for the taxpayers to arrive at fair conclusions. In many cases because of the lack of uniformity the conclusions reached were unfair to municipal officials.

Many new and frequently bewildering problems confronted local officials and the lack of codification of the statutory law relating to local finance, the vesting of such powers as did exist in divergent agencies, and the lack of effective legislation giving supervisory authority in appropriate cases, made highly desirable the creation of one agency concentrating on and assuming responsibility for the single function of the local fiscal process.

WHAT THE NEW LAWS PROVIDE

The new acts provide for the creation of a Department of Local Government, a single, specialized state agency to administer the laws regarding local finance, and give to this agency various rights and duties some of which will be subsequently detailed.

They provide, perhaps for the first time in any state in our nation, a legislative definition of unsound financial conditions and prescribe certain restraints on further debts and local taxation in order to safeguard the community assets while corrective methods are worked out and applied.

A great deal of the legislation existed previously but applied to various state agencies. The new legislation combined functions in one agency and in certain cases extended them. The extensions include the prescription of the form, classification and details of local budgeting, the passing upon emergency appropriations, supervision of capital budgeting, the holding of hearings, prescription of uniform accounting systems, investigation and prescription of rules governing the method, scope and procedure of auditing, and supervision of municipalities which come within the jurisdiction of the board by reason of the existence of unsound financial conditions.

It is of interest that the legislature in creating the State Department of Local Government established therein two units with separate and distinct powers and duties—the commissioner of local government as such and the Local Government Board of which the commissioner is chairman. A respect by each of these units for the rights, powers, and duties of the other and a willingness to cooperate is essential to the smooth functioning of the department.

The act confers upon the commissioner of local government the duty and power of administering the work of the department, prescribing its organization, the administration of the state laws

included within its jurisdiction, and recommendation to the state board of reasonable rules and regulations for the interpretation and administration of these laws. He has had turned over to him various powers and duties previously exercised by the state auditor. He is further vested with powers concerning the examination and investigation of the financial condition of municipalities.

The state board on the other hand has been entrusted with the study of the entire field of local government in New Jersey, the promulgation of reasonable rules and regulations for the interpretation and administration of the laws, the holding of hearings and acting in an appellate capacity from determinations made by the commissioner, and reporting to the Governor and legislature concerning the work of the department and the problems of local government.

The state board is further entrusted with power to prescribe uniform accounting systems for municipalities as well as to prescribe systems of financial administration for municipalities, having due regard, of course, for the requirements of different cities depending upon size, population, and other factors which must of necessity be taken into consideration. The state board also prescribes forms upon which financial statements and other reports pertaining to local financial affairs shall be made, so that the general public may get an intelligent insight into the fiscal affairs of the municipality which unfortunately, in many cases, it does not receive today.

UNSOUND CONDITIONS DEFINED

Chapter 127, which is entirely new and goes further than the other acts in granting regulatory and supervisory authority in appropriate cases, contains a definition of what constitutes unsound financial conditions. The provisions of this act take effect in a municipality when any of the following conditions exist:

1. A default exists in the payment of principal or interest upon bonded obligations or bond anticipation obligations for which no funds or insufficient funds are on hand and available;
2. Payments due and owing the state, county, school district, or special district, or any of them, are unpaid for other than the year just closed and the year next preceding that year;
3. An appropriation for "cash deficit of preceding year," in an amount in excess of 5 per cent of the total amount of taxes levied upon real and personal property for all purposes in such preceding year, is required to be included in the budget for both the year just closed and for the year next preceding that year.
4. Less than 50 per cent of the total amount of taxes levied for all purposes upon real and personal property in the taxing district, in the year just closed and in the year next preceding that year, respectively, were collected during the year of levy. This subsection shall apply only if more than 25 per cent of the amount of such taxes for such year next preceding remained outstanding at the end of the year just closed.

5. The appropriation required to be included in the budget for the next year for the liquidation of floating debt in accordance with sections 40:2-21 (d) and 40:2-23 (b) of the Revised Statutes exceeds 25 per cent of the total amount of the local budget (except appropriations for schools and for floating debt) for the year just ended.

The act is invoked only after due notice and hearing and an opportunity afforded to the municipality in question to be heard.

When it is determined that the act does apply, the municipality in question may not issue or authorize the issuance of obligations, with certain specific exceptions. The act further limits the amount of tax to be raised on real and personal property to not more than 5 per cent in excess of the amount levied the preceding year. Here too the obligations of the municipality for debt service and its contractual obligations with bondholders are respected and not affected.

The statute further gives to the state board sound administrative discretion in connection with the liquidation of the current debt of the municipality. It is to be noted particularly that the jurisdiction of the state board continues only so long as these conditions exist and that as soon as they are removed, its jurisdiction terminates.

HOW THE BOARD OPERATES

Under the powers of this act the Local Government Board has held hearings since January 1, 1939, and has determined that the provisions of the act apply in fifty-one municipalities. It may be of interest to dwell briefly and in a general way upon the nature of the hearings and the conditions developed and revealed.

Generally in attendance are members of the governing body of the municipality, the tax collecting official, auditor, and attorney. Sometimes they are accompanied by members of the school board or members of a taxpayers group. The proceedings are informal and it is impressed upon those who attend that the board is there not to injure or embarrass but to guide and assist them, to the end that matters may be improved and the jurisdiction of the board terminated as speedily as possible. In the great majority of cases the reason for the application of the act has been failure to collect the minimum percentage of taxes required by the statute. The board has sought to go behind this fact and explore the specific problems in each municipality resulting in failure to collect taxes so that each may ultimately receive attention based upon individual needs. The conditions revealed by these explorations may be grouped in three general classifications: those arising out of the economic condition of the inhabitants, those arising out of the physical condition of the municipality, and those arising out of the administrative conduct of officials. There are of course no exact lines of demarcation. All of these conditions exist to a greater or lesser degree in

every case. In most cases, however, one or the other predominates.

WHY TAXES ARE NOT COLLECTED

Under the classification of economic conditions come those cases where a single industry which formerly paid a very substantial percentage of taxes becomes insolvent, or where a large number of people employed in neighboring factories are thrown out of work, or where financial institutions have closed, or where in agricultural communities expected crops failed to materialize.

Under the classification of physical conditions come those cases where there are large areas of vacant land—woodland and brushland—which have no value and are not marketable; or where disproportionate improvements were made years ago with the consequent debt service now constituting a staggering load; or where real estate developments were started on a large scale and then abandoned, while assessments were changed to a lot basis entirely out of relation to the value of the property, upon which county and state taxes were levied without any prospect of collection; or where virtually an entire municipality consisted of a real estate development which should never have been incorporated; or where voters approved increases in school budgets entirely oblivious of the burden they were placing upon themselves.

Under the classification of administrative conduct come those cases where no tax sales or incomplete tax sales were held, in consequence of which amounts accumulated which wiped out all equity in the premises; or where no interest penalties were enforced except spasmodically; or where elected tax collecting officials refused to coöperate with or take orders from the governing body, or felt that because they were part-time officials they could not afford to devote greater effort to the collection of taxes; or where irregularities or embezzlements occurred in the tax collection office.

The board in dealing with all of these cases made practical suggestions, provided for annual tax sales, and ruled against waiver of interest penalties; and it will endeavor to work out specific plans to assist those municipalities whose condition has not become hopeless.

While it is entirely too early to judge the work of the board it is apparent that an opportunity for constructive service exists.

THE FISCAL PROCESS

Not only has this been apparent in connection with the conferences held with officials of municipalities under Chapter 127, but the general character of the program already set in motion indicates tremendous possibilities for improvement.

This program includes a study of the entire field of local government in New Jersey. The board has already held a series of illum-

inating conferences with representatives of a number of responsible organizations who have made independent studies of various aspects of local government. Views have been exchanged and plans coördinated.

Plans are being formulated to create advisory committees consisting of technically trained men to work out methods for the orderly accumulation of statistical data for the use of students of government as well as taxpayers.

The board has conducted educational and instructive meetings for local officials and auditors. It has required uniform independent verification of delinquent taxes as part of the annual audit, which requirement has already produced salutary results by uncovering irregularities and shortages. It has initiated first steps toward uniform classification of accounts. It contemplates an examination of all pending legislation as well as a review of existing enactments affecting fiscal affairs of municipalities for the guidance and information of the legislature. It proposes to recommend such additional legislation as may be necessary to fully carry out the objectives of the program.

Emphasis should be placed upon the fact that there is no authority in the legislation or any desire on the part of the board to interfere with the legitimate functions and powers of the duly elected officials of any municipality, or to impose or substitute its judgment in the case of well governed and well managed municipalities in sound fiscal condition. Such powers as are conferred upon the board are confined to assistance, guidance, and regulation where unsound conditions exist and to promotion and development of uniform practices which must prove beneficial.

The board at the present time consists of Walter R. Darby, chairman and commissioner of local government. Mr. Darby has been developing this department for over twenty years, first as commissioner of municipal accounts and later as state auditor. The other members of the board, which is bipartisan in nature, are Raymond M. Greer, comptroller of Jersey City; Charles J. Ehmling, formerly a member of the Union County Tax Board; John F. Schenk, formerly mayor of Flemington; and the writer of this article, who was formerly a commissioner of the city of New Brunswick. As may be seen, the Board is made up of men who have had day-to-day experience in the administration of local government, who are equipped to understand the problems confronting both taxpayer and official, and who can bring to their work a varied and comprehensive knowledge of an academic as well as a practical nature.

Many distinct benefits to the taxpayer should follow the successful operation of these new laws. Local fiscal records will be

adequate; they will be uniform with respect to accounting practices and will permit an honest comparison of the costs of services, they will make available consultation and guidance to all municipal officials and regulation of those who require it, they will provide proper systems of financial administration based upon the requirements of the various municipalities, they will ultimately provide a standardized uniform basis of budgeting expenditures, they will reduce the complexity of statutory law concerning local government and vest in one specialized state agency responsibility for its administration.

More important, they will permit the rendering of assistance and corrective treatment to municipalities on the financial toboggan before they reach bottom.

Heretofore, before legal restrictions could be placed upon the financial activity of municipalities, it was necessary that the municipality be subjected to the jurisdiction of the Municipal Finance Commission. Frequently by that time the municipality had reached a condition practically beyond redemption.

The ultimate success of the legislation will depend in no small measure upon the spirit of the approach by the board as well as the coöperation which it receives from municipal officials. It will also depend in a great measure upon reasonable flexibility of action and the use of sound administrative discretion. The mistakes of years, together with conditions created by circumstances beyond the control of local governing bodies, cannot be corrected in a day.

It is a long range program but an honest effort to properly and intelligently translate the objectives of the legislation will no doubt result in greater economy, better management, and more confidence on the part of the general public in local officials.

THE PARTY IS THE CRUX

(Continued from Page 340)

haps, but at worst to be endured.

But now in a brief space of time government has become a problem to be solved and a far-reaching enterprise to be run, an enterprise which absorbs a fifth of the annual national income. At the same time, democratic institutions are being aggressively challenged by powerful rivals with ambitions for a world empire.

As we view this present scene, can we afford to continue our traditional indifference to politics and consign our fate to the short-sighted tactics of professional politicians? However distasteful political activity may be to us, however unwilling we may be to devote time and effort to party work, does not self-interest dictate that we pay the price of living under a representative government to the end that it become more nearly representative than it has been in our generation?

As I view it, the future of democracy hinges upon the way in which the more intelligent citizens answer these questions. The crux of the matter is the quality and character of the political parties.

Georgia Counties Face Financial Dilemma

By CULLEN B. GOSNELL, *Emory University*

County consolidation proposed as one way of easing fiscal burden and giving counties greater efficiency. State has second largest number of counties in the country; exceeded only by Texas.

ACCORDING to Auditor Zach Arnold, the state of Georgia faces a deficit of approximately $8,700,000 for the fiscal year 1939. Figures given out recently by the State Department of Revenue show that the counties will run a deficit of $1,876,000—a total of approximately $10,600,000.

In view of these facts county consolidation is being seriously considered as a way of partially meeting the crisis. In fact, Representative H. B. Edwards proposed a plan to the 1939 General Assembly for reducing the number of counties to sixty.

Georgia has the second largest number of counties of any state in the union. Only Texas with an area almost five times that of Georgia has more county units. That state has 253 counties with a square mile area of approximately 265,000, while Georgia has 159 with an area of 58,725 square miles. The average square mile area per county in Georgia is 369.34 as compared with over 1,000 in Texas.

President Roosevelt has said that our American counties were made for the "ox-cart" days. In the early days counties had to be small as travel was slow. Even twenty-five years ago, what with bad roads and slow means of travel, it took all day for a person to travel from his home to his county seat twelve or fourteen miles away, transact a little business, and return home. Nowadays one can travel the same distance in fifteen or twenty minutes. Truly Georgia counties were made for the "ox-cart" days. The smallest county in the state, Clarke, has an area of only 114 square miles. Many other counties are almost as small.

An expert has estimated that as the population of a county falls below 50,000, per capita costs of its government increase. There are only six counties in Georgia that have 50,000 or more people each. These counties are Bibb, Chatham, De Kalb, Fulton, Muscogee, and Richmond. There are several with ridiculously small populations. For instance, Echols has 2,744 people, Dawson 3,502, Quitman 3,820, and Dade 4,146. Nine counties have less than 5,000 people each. Fulton County with a population of 336,788 has more people than the forty-nine smallest counties put together.

Many people have contended that the large counties of Georgia have the highest tax rates, but the facts fail to show this. The small counties have both the highest and the lowest.

The rates in the large counties for 1938 were: Bulloch 15 mills, Burke 8, Camden 10, Charlton 11, Clinch 8, Coffee 15, Decatur 14, Emanuel 15, Jefferson 16, Laurens 20, Screven 14, Washington 12, Fulton 14, Ware 16, and Wayne 10. (All of these counties have over 600 square miles each.) At the same time the rates for sixteen small counties, ranging in square mile area from 114 to less than 200, were as follows: Barrow 17.5, Catossa 18, Clarke 11, Clayton 16.5, Dade 17.5, Glascock 16, Lamar 15, Lanier 14, Montgomery 15, Oconee 17, Peach 16, Quitman 14, Rockdale 15, Schley 4, Stephens 15, and Towns 15.

SMALL COUNTIES COSTLY

The average for the sixteen largest counties mentioned above was 13.56 mills, while the average for the sixteen smallest was 14.78 mills. Attention must be called to the fact that the highest tax rate was in a large county—Laurens, 20 mills—while the lowest rate was in a small county—Schley, with 4 mills. But the average rate for the sixteen smallest counties was over one mill more than for the sixteen largest counties. It must be said, in all fairness, however, that tax rates may not mean so much after all as valuations vary widely.

Another significant fact must be brought out. The less populous counties receive more out of the state treasury than they pay in. The comptroller-general's report shows that in 1938 only seven counties paid into the state treasury in property, poll, professional, occupational, and inheritance taxes more than they received. These counties were Bibb, Chatham, Coweta, Floyd, Fulton, Glynn, and Richmond. Some of the small counties received many times as much as they paid.

For example, Dawson County paid in $408.11 and took out $20,395.41 while Clay paid in $808.65 and received $22,290.73. In other words, for every dollar Dawson County paid to the state it got back approximately fifty. Clay County's investment was a good one, too, for it received about twenty-eight times as much as it contributed.

Let us now examine the assessed valuations of property in Georgia counties for 1938. Such an examination reveals that forty-seven counties reported a valuation of less than $1,000,000 each, fifty-three counties had assessed valuations of $1,000,000 to $2,000,000; thirty-four counties from $2,000,000 to $4,000,000; seventeen counties from $4,000,000 to $10,000,000; and only eight above the $10,000,000 figure. The lowest valuations were in Towns County with $248,617 and Chattahoochee with $250,630, while the highest was

in Fulton where the assessed valuation was $229,775,695 or over 40 per cent of the total. Dr. Harley Lutz, a noted tax authority of Princeton University, said in his report on the Georgia system of revenue in 1930: "While there is no absolute minimum of wealth subject to taxation for the proper support of a county government organization, it is doubtful if this can be adequately done on an assessment much below $4,000,000."

An examination of the assessed valuations of Georgia counties for 1938 shows that 133 counties fall below $4,000,000.

In 1930 Mr. Ivan Allen of Atlanta, a very able student of government, prepared a plan for county consolidation in Georgia. His plan called for merging all of the 161 (there were 161 at that time) counties into forty-one. He pointed out that the cost of county government in Georgia was $22,000,000 annually and estimated that his merger plan would cut this figure in half. The writer believes that Mr. Allen is a little too optimistic, but considerable savings could be effected by such a plan. Savings would probably amount to 20-25 per cent allowing for better and more efficient county services. Professor Lloyd Raisty's report on the *Financial Statistics of Local Governments in Georgia* showed that the total cost of county government was $26,231,104.27 for 1936. If a saving of 25 per cent could be effected by consolidation the amount would be over 6,500,000. This would make up for more than half of the deficit for 1939.

It is true that the savings as a result of the merger of Campbell and Milton Counties with Fulton have not come up to the expectations of merger advocates. A large number of officials of the merged counties were given jobs in the new Fulton County and many of them were paid better salaries. But there is no gainsaying the fact that the services to the people of the old counties of Milton and Campbell have been much improved. Those counties have better schools, improved roads, better health protection, etc., than they had prior to the merger. It is only fair to say, however, that the merger of Campbell and Milton with Fulton would not be a true example. Campbell and Milton were poor counties and were merged with the richest county in the state. Naturally the people of those counties have benefited.

That interest in county consolidation in Georgia is growing is attested by the fact that Representative Edwards introduced his consolidation bill. Undoubtedly such a measure would get considerable public support. But there is still much opposition in the rural counties—where the need is greatest. The people of these counties are fearful lest county consolidation wipe out the advantage they hold over urban people in nominating and electing state and national legislative officials. But when taxpayers in these counties finally heed the truth, county consolidation will move forward rapidly.

No Job for a County Manager

By HOWARD M. KLINE, *University of Maryland*

Poverty of scattered population as well as state control of administrative functions cited as reasons for contention that manager not essential in Maryland rural counties.

MANY governmental reforms or improvements, desirable in principle, frequently are urged upon political leaders and citizens as "good things" without consideration of important local factors.

The county manager plan is a case in point. It has been pushed forward as a progressive and efficient answer to a host of ills and problems in county government, with relatively little attention to peculiar local characteristics such as traditions, socio-economic conditions, and existing relationships between the county and the state.

If allowance is made for such factors, which are very important in Maryland, the feasibility of the county manager plan, for the rural counties of this state at least, is questionable at best. The fact that traditional forms and customs, firmly rooted in pre-Revolutionary days, make modernization difficult, is perhaps an objection less rational—though not less real—than are certain other factors, namely: (1) the system of public local laws in Maryland; (2) the degree of state legislative and administrative control over counties.

Mention of a few of the important characteristics of the rural counties will lend perspective. The Constitutional Convention of 1851 separated the city of Baltimore from the county of which it was a part and established Baltimore as "a separate and independent political unit." Hence the state of Maryland is legally composed of twenty-three counties and the city of Baltimore.

Baltimore dominates the state in population and in taxable wealth. According to the State Board of Health's estimates of population for 1938, 48.48 per cent of the total state population resides within the city's corporate limits. More than 63 per cent of the total taxable property in the state (for state purposes in 1936) is in the city. By contrast, Baltimore has 20.7 per cent and 30 per cent of the representation in the State Senate and House of Delegates, respectively. Thus, the twenty-three counties have an estimated 51.52 per cent of the population (in 1938) and 37 per cent of the taxable property, but 79.3 per cent of the senators and 70 per cent of the delegates.

The population of individual counties ranges from 0.53 per cent to 9.25 per cent of the state population, but the great majority are sparsely settled. For example, the seven most populous counties contain 32.4 per cent of the state population and the remaining sixteen include only 19.12 per cent,

[1]See also editorial, page 332.

FINANCIAL STATISTICS FOR MARYLAND COUNTIES

	Total Taxable Basis 1935-36	*Per Cent Delinquency State Levy 1936-37*[a]	*Per Capita Budget Cost All County Expenses 1935-36*[c]
Allegany	$ 84,759,424	33.72	$15.48
Anne Arundel	55,678,710	23.41	15.73
Baltimore	218,853,698	18.84	15.98
xCalvert	6,067,958	43.0	9.15
xCaroline	15,317,812	47.33	12.55
xCarroll	40,332,777	31.19	12.46
xCecil	40,793,553	31.90	12.99
xCharles	10,321,853	37.44	7.80
xDorchester	24,207,772	42.54	10.21
Frederick	70,138,892	29.77	14.00
xGarrett	18,338,916	43.59	9.46
xHarford	54,923,897	8.01	14.63
xHoward	21,597,419	48.64	15.51
xKent	17,377,627	63.04	18.18
Montgomery	104,415,737	40.24	27.43
Prince George's	70,684,012	33.92	9.75
xQueen Anne's	16,941,097	[b]	12.54
xSaint Mary's	8,909,963	43.98	6.28
xSomerset	12,625,671	59.99	6.88
xTalbot	23,271,149	36.45	10.53
Washington	80,581,749	27.74	10.86
xWicomico	29,533,152	47.71	10.57
xWorcester	21,250,830	47.55	11.68

xCounties regarded as rural for purposes of this consideration.
[a]Compiled from report of Comptroller of Treasury, Statement I.
[b]No data available.
[c]From Weitzell, E. C., *Economy in County Government*, University of Maryland, Bulletin No. 412, page 149.

no one of which has as much as 2.25 per cent of the total. These sixteen counties are definitely rural, having less than one-fifth of the total population and one-eighth of the taxable property, but with one-half of the senators and one-third of the delegates. It is to these sixteen counties that attention is directed here.[1]

Unmistakable evidence of the poverty and rurality of these sixteen counties is seen in the following factors. The inhabitants are principally farmers and small merchants. The population density of each county is below eighty-five persons per square mile on the basis of the 1930 census statistics, and the State Board of Health is estimating a progressive decline in the popu-

[1]The sixteen rural counties are: Garrett, Charles, Queen Anne's, Worcester, Calvert, Dorchester, Kent, Caroline, Howard, Cecil, Talbot, Somerset, Harford, Carroll, Frederick, and Wicomico. Indeed, Allegany, Washington, and Anne Arundel Counties might also be regarded as rural were it not for the cities of Cumberland, Hagerstown, and Annapolis, respectively.

lation of the counties of the Eastern Shore where nine of the sixteen rural counties are located.

In fifteen of the sixteen counties it is necessary to transport from 42 to 96 per cent of the pupils attending high schools.[2] In fifteen of the counties the total taxable basis for county purposes, fixed by local assessors, ranges from six to forty-two million dollars.[3] On September 30, 1937, from 31 to 63 per cent of the annual state levy then due from fourteen of the sixteen counties was uncollected.[4]

Not only are these counties rural and poor, but in most of them county officials serve part time and are poorly paid. In many cases the ancient fee system is retained for justices of the peace, constables, sheriffs, and county treasurers. For example, the county commissioners usually receive $500 to $700 per annum with a specific prohibition against any fees for mileage unless traveling in a body outside the county on public business. In a few cases a mileage allowance is permitted, but limited to "one way," and only on the occasion of regular meetings. Election officers, formerly paid an annual sum, now receive compensation of $75 to $200, in election years only.

Judges of the Orphans Court, required by the constitution and established by general state law, are paid on a basis of three dollars to ten dollars per diem while court is in session and it is not uncommon to find an annual maximum of $250 to $500 or a limit on the number of days or sessions that may be held per month. The state's attorneys, also constitutional officers, are paid from $800 to $1500, usually with a specific prohibition against allowances of any fees. Court criers, stenographers, reporters, and clerks are commonly per diem employees.

The legislature has been more generous in the case of the county treasurer although frequently he must pay deputies or assistants out of his own salary. Although the fees of sheriffs, constables, and justices of the peace are fixed by a general state law,[5] its provisions have in most counties been extended and superseded by special local laws.

The establishment of salaries and fees and the regulation of the duties of county officers are locally determined in those states in which the counties have home rule; in Maryland they are fixed by the state legislature.

PUBLIC LOCAL LAWS

The forms, powers, and procedure of county governments in Maryland, regardless of size or wealth, are fixed by special acts of the legislature known as public local laws. Although the state

[2] In Harford County only 4.8 per cent are transported.

[3] In Harford County the assessed valuation is just over fifty-six million dollars.

[4] Report of Comptroller of Treasury, Year ended September 30, 1937, Statement "I".

[5] Annotated Code of Maryland, art. 36, Fees of Officers.

constitution discourages special legislation wherever "a general law can be made applicable," the courts have held that public local laws are not special laws within its meaning.

In 1914 the General Assembly submitted to the voters a proposed constitutional amendment to permit Baltimore City or any county to adopt its own charter. This home rule amendment was approved by the voters in 1915 and an enabling act was passed by the legislature in 1918, but no county has availed itself of its provisions.[6] The act, it is generally agreed, is home rule in name rather than in fact, for several important county officers are constitutional officers and the grant of power under the amendment does not insure legislative non-intervention.

A kind of "left-handed" home rule, however, is secured by reason of the way public local laws are handled by the legislature. Local bills, introduced by a senator or delegate from the county affected, are referred to a special committee composed of the whole delegation from that county, to which is occasionally added one or two representatives from an adjoining county. Those who have observed the process in operation assert that such bills are invariably reported favorably and that it is only a bold or uninitiated legislator who has the temerity to offer to discuss them or question their merits. A local bill is the personal prerogative of its proponent, and any attitude other than passive approval is a breach of courtesy. The result is that the quantity of local laws is very large.

[6]The city of Baltimore in 1918 adopted a new charter composed largely of its old 1898 charter as granted by the legislature, plus the amendments which the legislature had made in the twenty-year interval.

STATE LEGISLATIVE CONTROL

The interposition by the legislature of a great mass of local laws between county officials and the problems of county government has reduced local officers to the performance of duties largely non-discretionary. Important local policies are currently decided either by the legislature or by state administrative agencies whose control over local affairs has generally increased in the past decade.

The discretion of the county commissioners has been limited in many particulars. The use of the public local law for general salary-fixing extends even to wages for day laborers and supervisors on public roads. The county commissioners must levy for education at least the amount requested by the County Board of Education; they are directed to allow fixed sums to volunteer fire departments within certain incorporated towns; they are required to levy at least a minimum sum for the repair and construction of roads and bridges;[7] they must reim-

[7]See below, footnote 9.

burse certain incorporated towns for sums spent by the towns for repair and maintenance of street road beds;[7] they may not expend beyond a named maximum amount for publication of notices of the annual levy, reports of audits, announcements of registration, elections, etc., which are required to be published; they may not change the amount or kind of surety on the several bonds required of county officers.

If only by their volume and complexity, the public local laws indicate the close attention which has been given to the county treasurer. His selection and qualification, the nature and quantity of his bonds, the methods of levying and collecting and reporting both state and county taxes, the variety and procedure of keeping several sets of accounts, the limits on deposit of state and county funds in his hands, the discounts to be allowed for early payments of taxes, a complete outline of the time and procedure for collecting delinquent taxes and conducting tax sales—all these are extensively covered by local laws. These laws tend to be uniform among the rural counties. Hence the county officer who is probably most free from control by state administrative agencies is closely controlled by elaborate and comprehensive local laws.

STATE ADMINISTRATIVE CONTROL

If the legislature has regulated local affairs in great detail through local legislation, as much may be said for the increase in authority of state administrative agencies. In 1933 the legislature authorized the State Roads Commission to take over from the county authorities the construction, repair, and maintenance of all county roads[8] and provided that the commission might buy or rent the road equipment then in the hands of local road authorities and that the "commission shall first employ the personnel" previously hired by local road authorities.

Three-tenths of the income from a one-and-a-half-cent gasoline tax is paid over to the city of Baltimore for street improvements. Seven-tenths remains with the State Roads Commission, to be allocated to the counties in the proportion which the road mileage of the counties bears to the road mileage of the state, for construction of state roads, construction and maintenance of county roads or streets of incorporated areas, and debt service on obligations the proceeds of which were used for street or road improvements.

Further, the law requires the commission to seek the recommendations of the local road authorities upon (1) the portion of the funds allocated to the county to be expended for each of the three purposes above; (2) the specific roads to be constructed or maintained, the

[8]The three counties surrounding Baltimore City—Baltimore, Harford, and Anne Arundel—have retained local control.

methods and materials to be used, and the estimated cost; (3) the amount to be expended upon the streets of the incorporated municipalities in the county; and (4) the base rate of pay for unskilled labor employed by the roads commission in the county. On each of these matters the commission is to seek mere recommendations, and if it fails to concur in the recommendations, the local authorities may have a formal hearing before the commission.

In final analysis, the State Roads Commission controls the purpose and projects for which road moneys may be expended.[9] Although the original act of 1933 was limited to two years it has been twice extended for similar periods.[10] The new Governor stated in his campaign that he believed that county roads should be handed back to those counties which wished to regain control of their roads. Hence, the immediate future of state control over county roads is rather uncertain.

Again, by an act of 1935 the state police were given general peace and law enforcement powers in all but four counties. In these four they continue to have authority to enforce motor vehicle laws. Generally, the state police have the same powers as sheriffs, constables, peace, and police officers have in their jurisdictions.

The Board of State Aid and Charities, named by the Governor, has power to create county welfare boards and to nominate to the county commissioners a panel, containing twice as many names as vacancies, from which the commissioners must select its members. The state board determines the formula upon which payments are made to charitable institutes or agencies on a per capita basis, and licenses all private institutions or societies in accordance with its own rules.

Further, the state board has authority to prescribe the number, salaries, and minimum qualifications of the personnel engaged by local boards to administer welfare activities wholly or partially financed by the state. The state board enjoys a wide scope of authority, therefore, to supervise the local administration of public welfare, including mothers' assistance, old-age pensions, relief for the blind and other handicapped needy, aid to dependent and delinquent children, and probation service to the courts.

The State Board of Education and the state superintendent of schools exercise an even greater degree of control than does the Board of State Aid and Charities. The state superintendent, with the approval of the state board, prescribes rules for grading and standardizing schools, for issuing certificates, diplomas, or degrees; prescribes courses of study for

[9]The act suspended all public local laws requiring county commissioners to levy minimum amounts or minimum rates for road maintenance.

[10]Chap. 425 of Laws of 1933, extended by chap. 465 of Laws of 1935, and by chap. 341 of Laws of 1937. Several county delegations to the 1939 legislature announced that they would sponsor measures to return roads and road money to county control.

elementary, high, and normal schools; regulates the certification of teachers; establishes forms for and requires submission of financial accounts and reports; passes on all proposals for purchase or sale of grounds or buildings and upon all plans and specifications for remodeling of old or construction of new schools when amount involved is in excess of $300.

The state superintendent is empowered to cause the comptroller to withhold part or all of any state funds in the event of violation of the provision of the public education law or of any of the rules enacted by the state board. An index of the significance of this power to withhold state aid to local schools may be ascertained from the fact that state aid in 1937 supplied from 38 to nearly 68 per cent of the current expense disbursements for schools in the counties under consideration.

The state school, roads, welfare, and police agencies have authority and responsibility not only to raise local standards of administration but also to plan state-wide, rather than county-wide, programs in these several fields. Education, road maintenance and construction, public assistance, and law enforcement are in Maryland, as elsewhere, among the most important and most expensive county functions.

With no brief for present policies, the contention here is that the peculiar situation of Maryland's sixteen rural counties neither demands nor recommends the county manager plan. Two principal reasons are urged as supporting this view. First, the problems of county government in these rural areas are so elementary and the areas so poor that a modern streamlined executive could neither be fully occupied nor easily afforded. The county manager plan is essentially a device to coördinate the activities of county government in the hands of a single person and to bring to those activities an administrative technician. In Maryland's sixteen rural counties the activities are not sufficiently expensive or cumbersome to necessitate such a degree of coördination and administrative proficiency.

Secondly, the state has already assumed primary responsibility for improved standards of administration in the basic functions of justice, health, schools, roads, welfare, and police. Here local responsibility has been narrowed to the administration of these functions under state supervision, with exclusive responsibility in relatively few matters.

The problems of Baltimore City and those of the other seven counties, or, at least, of two or three of them,[11] are very appreciably different. The efficacy of home rule and/or the county or city manager plan for these areas rests upon a set of population, financial, and administrative situations so completely at variance with those herein stated that a separate analysis is required.

[11] Particularly Baltimore, Montgomery, and Prince George's Counties.

Mississippi Provides Tax-Free Homes

By M. H. SATTERFIELD, *Tennessee Valley Authority*

One hundred fifty thousand home owners claim exemption under new homestead laws; program to cost state over three and a half million dollars yearly.

THE exemption of homesteads from taxation is a relatively recent development in the United States. Through the adoption of a constitutional amendment in 1932, Texas was the first state to provide homestead exemption, but by 1938 eleven states had enacted such legislation. In addition two other states give homesteads tax preference over other types of residential properties.[1]

The first homestead exemption law to be enacted in Mississippi was passed in 1934. Under this law homesteads were granted an exemption from all state ad valorem taxes to the extent of $1,000 of their assessed value; the homestead, however, was limited to forty acres in area.[2] This cautious beginning did not remain in effect for long, for in 1935 the amount of the exemption was increased to $2,500 and the area limit raised to 160 acres.[3]

No further changes were made in the law until 1938 when the legislature was called into extraordinary session to consider legislation for the exemption of homesteads from all property taxes. Although the legislature did not adopt the entire program recommended by the Governor, it passed ten bills relating to homestead exemption. As a result of this legislation, Mississippi has gone a long way toward providing tax-free homes.[4]

By the provisions of the laws now in effect, homesteads in Mississippi are exempt from ad valorem taxes levied by the state for all purposes and from such taxes levied for maintenance and current expenses by counties and all road and school districts, including municipal separate school districts. Homesteads, however, are still subject to all ad valorem taxes levied by municipalities for strictly municipal purposes and to levies of counties, road and school districts, and municipalities for bond and interest payments.

In addition to extending homestead exemption to counties and special districts the law increases the amount of the exemption from $2,500 to $5,000. In rural areas homesteads may consist of 160 acres provided the land is used strictly for agricultural purposes. If, however, the principal occupa-

[1]National Association of Assessing Officers, *Exemption and Preferential Taxation of Homesteads,* Bulletin No. 20, April 15, 1938, p. 1.

[2]*General Laws of Mississippi,* 1934, chapter 191.

[3]*Ibid.,* extraordinary session of 1935, chapter 22.

[4]The provisions of these laws may be found in *Mississippi Code, 1938 Supplement,* sections 217-257; 325-369.

tion of the owner of a rural home is other than farming, the area that may be exempted is limited to five acres. In municipalities where dwellings are located on land regularly platted in blocks and lots, homesteads are limited to contiguous and adjoining lots. On unplatted lands in municipalities, the area limitations applicable to rural homesteads are effective.

Certain other limitations are imposed by the act. For example, the homestead must be owned and occupied by the head of a family who is a natural person and a resident of the state. The occupant must hold a fee title or an estate for life, or hold school lands under certain types of leases in order to qualify for exemption. No homestead conveyed to any person after July 1, 1938, unless by bona fide gift, shall be eligible for exemption unless at least 10 per cent of the purchase price is paid.

The land designated for the homestead must be "about and contiguous" to the land upon which the dwelling stands. In order to take full advantage of the exemption offered, however, the owner of farm land or of unplatted lands may select an additional tract or tracts of land nearest that on which the dwelling is located, and he may include land in an adjoining county. No owner may select additional land, however, the nearest boundary line of which lies more than five miles from the dwelling house on the homestead.

LOCAL UNITS REIMBURSED

The homestead exemption law provides that local units are to be reimbursed for any losses in revenues due to the exemption of homesteads. The amount of such reimbursements, however, is restricted in several respects.

In the first place, no local unit can be reimbursed for any tax loss that may result from tax levies in excess of the statutory limit.[5] Furthermore, prior to September 1, 1940, no local taxing unit may be reimbursed for any tax loss on levies made after the passage of the act that are in excess of the levy made for maintenance purposes in 1937. If, however, any taxing unit failed to levy a maintenance tax for 1937 or if the maintenance tax levied was less than the average levy made by taxing units of its class in that year, it may levy such a tax and be reimbursed for tax loss to the extent of the average maintenance tax levied by similar taxing units in the state. A similar provision exists for taxing units created after the passage of the act.

Reimbursements are to be made to local units upon the basis of

[5] This provision of the law has had the effect of reducing tax rates in a number of counties and districts where the levies exceeded the maximum allowed by law. "Instances of reductions of one and two mills to bring levies within the legal maximums were widespread and common among the numerous counties and districts when the rates for 1938 were set." State Tax Commission, *Preliminary Report on Homestead Exemption for 1938 and the Operations of the Homestead Exemption Division of the State Tax Commission,* Jackson, February 28, 1939, p. 9.

certificates of tax loss filed with the State Tax Commission by county and city clerks. A separate certificate is to be made and executed for each taxing unit and is to contain, among other things, the value of all taxable property in the taxing unit, the number and total assessed value of the homes exempted, the tax levies by purpose, the total tax for maintenance lost through exemption and for which application for reimbursement is made, the total amount of taxes for maintenance levied against non-exempt property, and the total amount of taxes levied for debt and interest.

The State Tax Commission reviews these claims of revenue losses and certifies to the state auditor the proper amount to be reimbursed to each local taxing unit. The amount thus certified is paid to the local taxing units in two equal installments, the first on March 1st and the second on September 1st. A part or all of the second installment for school maintenance purposes, however, may be paid on June 1st if the county or school district concerned submits to the commission a certificate of necessity showing immediate need for such funds.

EFFECT UPON TAX BASE AND REVENUES

According to a recent report on the actual operation of the homestead program,[6] the 1938 tax base was reduced by $118,595,172. This amount is equal to almost a third (31.1 per cent) of the realty assessment and equal to 21.4 per cent of the total assessed valuation of all taxable property in the state in 1937.

As might be expected, the proportion of the tax base lost through exemption varies widely between the counties.[7] Tunica County, for example, with a reduction of 7.9 per cent in total assessed valuation, suffers the least tax base loss of the state's eighty-two counties. In Ittawamba County, on the other hand, the reduction in total assessed valuation amounts to 46.1 per cent. Four other counties incur losses in tax base of 40 per cent or more. Distribution of the eighty-two counties by percentage loss in total assessed valuation appears in the tabulation below.

Number of Counties	*Percentage Loss*
1	Under 10 per cent
9	10 to 15 " "
15	15 to 20 " "
24	20 to 25 " "
13	25 to 30 " "
11	30 to 35 " "
4	35 to 40 " "
5	40 or more " "

Of more significance, perhaps, than the loss in tax base is the effect of the program on the revenues of the state and local units. The state, with a levy of six mills, will receive $711,571 less from the general property tax than it would if homestead exemption did

[6] State Tax Commission, *op. cit.*

[7] In estimating the percentage loss in tax base of the various counties 1937 assessments are used.

not exist.[8] Claims for reimbursement for 1938 tax losses by local units total $2,923,961, an amount equal to 22.3 per cent of the maintenance taxes levied by the local units during 1937. Since the state is to reimburse the local units for this loss, the homestead program will cost the state of Mississippi more than $3,500,000 a year. Of the amount to be paid to local units, counties will receive 60.9 per cent, special and municipal separate school districts 31.0 per cent, and special road districts 8.1 per cent.

Loss in property tax revenues of counties due to exemption shows wide variation. For example, the proportion of county taxes lost by exemption (based upon maintenance taxes levied on 1937 assessments) varies from 6.7 per cent in Tunica County to 47.6 per cent in Walthall County. Distribution of the eighty-two counties on the basis of percentage of taxes lost through exemption is shown in the following tabulation:

Number of Counties	*Percentage of Maintenance Taxes Lost by Exemption*
3	Under 10 per cent
12	10 to 15 " "
19	15 to 20 " "
21	20 to 25 " "
11	25 to 30 " "
10	30 to 35 " "
3	35 to 40 " "
3	40 or more " "

[8]The additional loss in state revenues due to raising the homestead value from $2,500 to $5,000 was not great. In 1937, with a levy of four mills, the state lost approximately $408,000 in revenues from the property tax.

Although estimated losses are not available for individual road and school districts, averages on a county basis are similar to county losses.

The state is faced with the important problem of providing funds for reimbursing local taxing units for revenue losses incurred under the homestead exemption program. The Governor has suggested that a part of the funds be provided by maintaining the state general property levy at six mills rather than reducing it to four as permitted by law. Also, additional state revenues are to be secured by an increase in excise taxes on smoking tobacco and on light wines and beer. If these sources fail to provide sufficient revenues, the Governor has suggested that maturing bonds be refunded in an amount sufficiently large to provide the remaining funds.

EXEMPT HOMES

Exemption from 1938 taxes was claimed by a total of 149,030 homestead owners. The exempt value of these homesteads averaged $796. Pearl River County, where 1,573 home owners claimed an average exemption of $311 per home, reported the lowest assessed values for exempt homes. The highest assessed values of exempt homes were reported by Sunflower County, where the average exempt value for 1,291 homes was $1,943. There were fourteen counties besides Pearl River County in which the average val-

uation exempted was less than $500. On the other hand, the exempt assessment exceeds an average of $1,500 per home in five counties.

The principal argument used in urging the adoption of the homestead exemption program in Mississippi was that it would increase the number of owner-occupied homes in the state. In his message to the legislature called to consider the program the Governor said: "One of the prime objectives of the homestead exemption now proposed is the encouragement of home owning and home building." Similarly, the act states that its purposes, in addition to encouraging home ownership, are "to preserve a contented and law abiding citizenship, and to give additional security to family groups."

While the slogan "encourage home ownership" has been used rather effectively to secure the passage of homestead laws in other states, it has not been conclusively proved that homestead exemption has stimulated or facilitated home ownership to any great extent.[9] "Other conditions are probably much more important in increasing the number of owner-occupied homes than taxes; for example, the interest rate, the home mortgage credit system, unlimited privilege of owners to mortgage their homesteads, lack of effective zoning and community planning in both country and city, insecurity of occupation and employment, and the operation of the property tax system in placing relatively higher assessments on residential real estate than on other kinds of property."[10]

Another argument often used in support of homestead exemption is that real estate, especially residential and farm properties, bears a disproportionate share of the tax burden and that tax exemption of homesteads offers a means of equalizing this burden. Under the program as adopted in Mississippi, home owners receive substantial reductions since a $5,000 exemption completely exempts most of the owner-occupied homes in the state.[11]

The cost of these benefits to home owners, however, is borne by the owners of non-exempt property and by tenants. Business and other non-homestead property is subject to the same levies of local units as before and is subject to an increased levy by the state. The tenant is penalized through existing sales and excise taxes, because any increase in such taxes to replace the revenue lost through exemption increases his burden.

There is another possible effect of the homestead exemption pro-

[9]Cf. Tax Study Commission, State of Michigan, *Report of the Tax Study Commission,* Detroit, January 30, 1939.

[10]Raymond D. Thomas, "The Effects of Homestead Exemption," *Proceedings of the National Tax Conference,* 1935, pp. 111-112.

[11]See State Tax Commission, *Report of a Survey of Homesteads in the State of Mississippi (as of 1937 Assessment Records),* Jackson, June 20, 1938.

gram that apparently has received scant attention by the local units. The reliance of local units upon the state for a sizable portion of their revenues gives the state considerable control over local finance. This will undoubtedly lead to greater control by the state over local functions, particularly if the state encounters difficulty in providing funds to reimburse local units.

Fortunately, homestead exemption in Mississippi has not been embodied in the constitution. Consequently, if it is found that its benefits do not justify its cost to the state, modifications and amendments can be made by legislative action. The trend, however, has been toward increasing the scope of homestead exemption rather than restricting it. Since the amount of the exemption now granted totally exempts most of the homes in the state, about the only way in which the program can be extended is to include exemption from municipal taxes.

PLANNING

(Continued from Page 347)

twenty principal reports published by the commission.

In collaboration with the director of the Bureau of Real Estate of the Board of Estimate, the commission has worked out a master plan procedure relating to sites for public buildings which many believe will forever banish that bane of zealous public officials, the condemnation and land purchase racket. Often in the past a city department would go out on its own and look for a site and for reasons peculiar to itself choose a specific location, all of which enabled the owner to hold up the city on the question of price.

Under the new procedure the agency seeking a site confers informally with the staff of the master plan division and furnishes details of its needs. The commission then selects an area agreeable to the agency, usually several city blocks. This area is adopted as part of the master plan after due hearing. The Bureau of Real Estate then advertises in *The City Record* that the city intends to purchase a site within such an area, giving necessary details. Thus all owners and agents, some of whom might otherwise remain unknown, have an opportunity to make offers and the city has the benefit of competitive bidding and is able to make a fair purchase at the current market price or better.

It is hoped that this picture of the first year of the New York City Planning Commission will show the foresight and completeness with which the drafters of the new charter intended to make the commission a well implemented and powerful planning agency. Through the linking together of map changes, master plan, zoning, subdivisions, and capital budget, it is to be hoped that the commission over a period of years may bring more order with less proportionate expense to the future growth and development of New York City into a better and happier place to live.

The Manager Plan for the Nation's Capital?

By CEDRIC LARSON, *Washington, D. C.*

Recommendations made as a result of recent survey include a small council to formulate legislative policies, with an "appointive district administrator" under whose control would be placed some seventeen departments.

WASHINGTON, D. C., is constitutionally a stepchild of Congress. The constitution authorizes that body "to exercise exclusive legislation in all cases whatsoever over such district (not exceeding ten miles square) as may, by cession of particular states and the acceptance of Congress become the seat of the government of the United States."

In the almost seven score years that the District has served as the capital of America, it has enjoyed varied types of municipal government at the hands of Congress. The setup in effect today was passed in 1878. In brief, it provides for the creation of a municipal corporation by the name District of Columbia whose governing authority is comprised of a Board of Commissioners, three in number. Two of these commissioners are residents of the district appointed by the President with the advice and consent of the Senate, while the third is an officer belonging to the Corps of Engineers, U.S.A., who is "detailed" by the President to act as engineer commissioner. The two appointive commissioners enjoy three-year terms; the engineer commissioner usually is restricted by army rules to a four-year term (time limit on special detail).

The Board of Commissioners, besides functioning as a plural executive, enjoys quasi-legislative and quasi-judicial powers to a limited degree. The municipal corporation performs all the duties ordinarily exercised by county, state, and municipal governments. But many governmental functions are delegated to federal departments, bureaus, or establishments over which the commissioners have no authority or even remote control. The municipal corporation act of 1878 represented, of course, an efficient attempt in the "reconstruction era" to give the district a better government, but it has not been modified sufficiently to give it flexibility to meet changing conditions.

The district's present "system" of government, like Topsy, "just growed" and is in no sense an application of scientific or businesslike principles to meet the needs of a population within the district's boundaries of 600,000 with an additional 200,000 people in satellite communities.

There has been a growing dissatisfaction during recent years with this horse-and-buggy type of municipal administration surviving in a machine age in the nation's most important political metropolis.

The fact that natives of the District of Columbia do not enjoy the franchise has been a further cause for disaffection for a large part of the 200,000 residents who make their home in Washington and who were born there. Newspapers, such as the *Washington Evening Star*, have campaigned energetically over a period of years for a vote and voice in the halls of Congress as well as in the affairs of the city.

The cry for reform became so articulate of late that it could scarcely be ignored, and members of Congress finally turned their attention to the matter of revamping the district government in earnest.

The whole matter simmered down to a thoroughgoing survey of the district and specific recommendations for proposed alternate forms of government by a competent authority. Two or three previous attempts in this direction merit mention

here. In 1928 the Institute of Government Research of the Brookings Institution published *The District of Columbia: Its Government and Administration*, by Dr. Laurence Frederick Schmeckebier. The following year a shorter Brookings study appeared, entitled *The Government and Administration of the District of Columbia: Suggestions for Change*, by Dr. Schmeckebier and W. F. Willoughby.

In 1937 Senate Document No. 12 (75th Congress, 1st session), entitled *Fiscal Relations between the United States and the District of Columbia*, an exhaustive study of the subject, appeared. This is the so-called "Jacobs Report," made under the direction of J. L. Jacobs. This survey was widely studied by Congressmen and citizens of the district and focused attention on the need for revising the fiscal relationship between the federal government and the district, which is, of course, only one phase of municipal reorganization.

NEW SURVEY MADE

Decisive action on a survey of the district government, with recommendations for change, was begun in 1938 at the instance of Hon. William H. King and Hon. Jennings Randolph, chairmen of the Senate and House Committees on the District of Columbia, with the active support of Hon. Ambrose J. Kennedy, who conceived the survey. Mr. Kennedy was already the author of a reorganization plan of his own, and still another had been drafted by E. Barrett Prettyman, former district corporation counsel, who headed a committee for this purpose selected by the commissioners of the district themselves.

The firm of E. O. Griffenhagen & Associates of Chicago was finally retained for this important job. This company has specialized for twenty-seven years in giving counsel and assistance to public officers, legislative committees, and citizens' societies for more efficient government.

On February 4th of this year a preliminary report entitled *The Organization of Government for the District of Columbia: Suggestions for Simplification and Modernization in the Administrative Structure*, with a Government Printing office imprint (86 pages) was published, giving the public the first glimpse of the recommendations. With some changes this document was reissued on March 25, 1939, as a House Committee Print.[1]

The report states with respect to the subject of Congressional control: "The Congress cannot, under the constitution, surrender the right and power to govern the district, but it can delegate some of its powers. However, it has not, in fact, drawn the line very clearly, and has not drawn it at all consistently, between the powers and duties it has delegated to the municipal corporation, those that it has delegated to other agencies to be exercised within the area, and those that it has retained."

According to the Griffenhagen plan the district's system of commission government, now about sixty years old, would be discarded. There would be substituted for it a chief executive officer called the district administrator, with a council to formulate legislative policies, and some seventeen civic departments.

The administrative officer would be appointed either by the council or by the President on the council's recommendation, with a remuneration of about $15,000 a year. According to the report, he "should be appointed on the basis of his qualifications to manage the operations

[1] 76th Congress, 1st session, *The Organization of Government for the District of Columbia.* Letter from Griffenhagen & Associates, transmitting to the Chairmen of the Committees on the District of Columbia of the Congress Suggestions for Simplification and Modernization in the Administrative Structure of the Government for the District of Columbia.

of a large municipal service and should serve without term during the efficient and satisfactory performance of his duties, subject to removal for cause by the appointing authority. . . . He should be responsible to the governing body for carrying out, through the administrative departments, the policies determined by the governing body. . . . He should be empowered to appoint the heads of the administrative departments to serve during efficient service."

Legislative authority would rest in a small council or assembly—or the present Board of Commissioners with increased ordinance-making powers and "preferably with an enlarged membership." This body would have no executive power but would be strictly legislative. Method of selection of the council would be left to Congress. Compensation would be on a part-time basis.

DEPARTMENTS UNDER MANAGER

The seventeen administrative departments under the proposed plan would be: finance, personnel, revenue, law, education, libraries, police, fire, public utilities, insurance, occupational standards, unemployment compensation, health, public welfare, public works, parks and recreation, and title records. Of the sixty-five existing bureaus and agencies, many would be abolished, some would be consolidated, while still others would be incorporated within the seventeen new departments.

Each one of the seventeen departments would be headed by a single individual, appointed by the chief administrator. A few of the departments would have boards or commissions chosen by the council, and would perform such duties as appeal, policy-fixing, or approval of regulation. The director of schools and the director of libraries would be aided by an advisory committee if desired. The parks, activities of a recreational nature, and public playgrounds would be placed under the jurisdiction of a department of parks and recreation, which would be charged with their upkeep as well as "the administration of a comprehensive program of recreation."

It was also recommended that the budget bureau be divorced from its present authority over municipal expenditures, and that a simplification of the budget-making machinery be substituted. The report states, in this connection, that "it would be desirable to appropriate for only the major classes of expenditure in the several departments," but recommends that Congress enact a "code of financial administration," to contain provision for making the district department of finance accountable for details of the financial structure on which the amounts appropriated were established.

It was urged that the yearly payment ("lump sum") of the federal government toward district expenses be arrived at "according to whatever formula may seem fair," and that the lump sum be determined for at least a quinquennium in advance. In deciding the amount of this federal contribution the report stated that all direct services provided by the district to the federal government, and vice versa, be taken into consideration. It was suggested that the interchanges of services between the federal government and the district be to a large degree on a contractual basis. It was estimated that the amount which could be reimbursed to the district on such a basis would probably be in the neighborhood of two million dollars annually.

The whole essence of the Griffenhagen plan is the separation of legislative and administrative functions—under the existing plan they are ill-defined and overlap considerably.

The Griffenhagen plan has received a good deal of publicity and comment pro

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The Researcher's Digest: May

"Born to Blush Unseen"
Minnesota Research on Employment
Economizing in Providence
Dayton Still Seeks Improvement

IT IS axiomatic to the staffs of research bureaus themselves, but far less appreciated among even the informed sections of the public, that the real work of a municipal research bureau does not consist in merely publishing thoughtful summaries or analyses of current affairs. That this department has been weighted with news of such research summaries is, in a sense, proof of the effectiveness of the other activities of the bureaus. A research bureau, occupied a large part of the time in rendering behind-the-scenes assistance to city officials who are desperately in need of non-political information and advice, may not publicize the real results of its work. The official must take the credit; the bureau is, by definition, an organism without vanity.

The annual reports of the research bureaus, the 1938 editions of which have recently been made available, do give an inkling of the scope of a typical bureau's activities. **The Buffalo Bureau,** for instance, devotes only about a fifth of a nine-page report to publications, although it published six mimeographed bulletins and fifty-two issues of a weekly leaflet, besides a good deal of newspaper publicity. Its principal activities included the membership of staff persons on four important official Buffalo committees, and the giving of advice and aid to citizens and officials on at least twenty separate matters of local governmental importance including finance, sewage disposal, education costs, county government, etc., etc.

The Bureau of Governmental Research of the Indianapolis Chamber of Commerce directed toward the sixty-one-day session of the recently adjourned Indiana General Assembly a series of legislative digests, analyses, recommendations, and drafts of proposals. It was greatly concerned with relief bills, backing a bill to institute in the poor relief machinery the principle of budgeting money through regular appropriating bodies, and another to divorce politics and relief. Both bills were bitterly fought by special interest lobbies and politicians, the Bureau reports, and were therefore defeated. The Bureau's concern with relief and the dangers of relief borrowing has led it also to undertake a study of township poor relief indebtedness as a preliminary step in the groundwork for the Bureau's annual study of local budgets and tax levies in Marion County. The work is now in progress.

A financial crisis in the city government and a movement for the adoption of a new charter gave the **Philadelphia Bureau** plenty to do in 1938. It gave assistance on many phases of the work of drafting the new charter, which incorporates many of the improvements which have long been advocated by the Bureau.

Some research bureaus may never come out in print with anything. This does not mean that their staffs are battening idly on the members' money, but that they are too busy being privately useful to public officials.

The Economic Basis of Government

A grave warning that both population and employment trends in Minnesota are downward, sounded by the **Minnesota Institute of Governmental Research,** may have serious implications for state and local government.

While Bulletins 9 and 10 (February and April 1939, respectively) make no

specific mention of the relationship of the findings they contain to effective government or its cost, an alert governmental planning agency could comprehend immediately the deep influence of a decline in population or economic wealth on the ability of future taxpayers to amortize the debt contracted *now,* and on the need for schools, parks, roads, social services, or any one of the services of the government.

In at least one large American city, a city synonymous with growth and power and wealth, the Board of Education is already grappling with the problem of readjusting its school program to tie in with a prognosticated decline in school population in the next twenty-five years. Estimates made only a few years ago predicted the opposite trend, so that, till now, school building budgets may have been seriously in error. The new program will certainly have an important, perhaps immediate, influence on the tax bills of the man in the street, while the same man may also suffer serious tax consequences of previous wrong estimates.

Bulletin No. 9 of the Minnesota Institute deals with an *Analysis of Recent Economic Development in Minnesota on the Basis of Occupational Employment Statistics.* Having determined in a previous study that the population of the state of Minnesota would cease to grow within twelve or fifteen years, and that 75 per cent of the area of the state has already reached its maximum population or is now declining, the Institute set out to discover whether the trend could be slowed or reversed by increasing migration into the state. This depended, in turn, on the status of industry and agriculture in the state, and their capacity to grow and attract and support new population.

Bulletin No. 10 deals specifically with *Minnesota and the Agricultural Situation* and constitutes a further exploration into the same subject.

Part of the significance of these studies lies in the fact that they were made by an agency which declares itself to be "A fact-finding organization designed to assist legislators, state officers, and citizens in solving problems of government. . . . The primary purpose of the Institute is to assist citizens and officials in obtaining effective state government at a reasonable cost."

To delve so deeply into the economic and sociological springs of government is a comparatively rare exercise among governmental research groups, which have, to be sure, been finding plenty to do in fields more obviously related to day-to-day government. Nevertheless, the trend to the kind of research which is exemplified in these Minnesota reports should be enthusiastically applauded.

The two Minnesota reports constitute a detailed study bulwarked by excellent tables and charts. It is concluded that "the facts presented in the foregoing discussion leave little reason to believe that in the near future Minnesota agriculture will offer employment to additional workers. The era of agricultural expansion in this state is past," while at the same time "inasmuch as the tangible wealth-creating groups all declined in relative importance as measured by employment, it is highly questionable whether the economic trend in Minnesota is on a sound basis. . . . Minnesota had probably reached a saturation point of employment in most occupations in 1930. The large amount of migration to other states at that time warrants such a conclusion. Business conditions since 1930, while unusual, indicate no change for the better. It is thus apparent that Minnesota must take positive and aggressive steps if greater employment opportunities are to be made available."

Taking the Edge Off a Survey

The Providence Journal devoted a full page to Bulletin No. 49 of the **Providence**

Bureau, titled *Opportunities for Economizing in Providence City Government.* The report was intended as background for a proposal before the city council that outside experts be retained to conduct a general survey of the city government.

"Too frequently consulting service is employed with the idea that economies will be drawn from the hat like rabbits," remarks the Bureau. "Unless it is thoroughly understood beforehand that the survey will recommend many dismissals and that several traditional practices be abandoned, the city might as well save the cost of the survey."

The review is intended "to indicate the type of recommendation that might be expected in any survey, and to promote a general understanding of the basic factors which influence the cost of government in Providence."

Among the economies advocated are a policy of not hiring new men in police and fire departments, increasing the pupil load of school teachers, and improved administrative organization in the public works department, which "long has been viewed as a fair field for political exploitation."

Virtuous Dayton

What does a research bureau do in a city where, to quote a recent newspaper report, "good government is a habit?" After twenty-five years the city manager plan has become as basic in Dayton as the very right to vote, while the city's chief worries apparently stem from the county, which is still unregenerate, and a constitutional tax limitation.

The Dayton Research Association, however, in the good American tradition, must have adopted a star to which to hitch its wagon. A thirty-nine-page report, dated February, is titled *The Controlling Principles of a Plan to Improve Local Government.*

There is a calm discussion of the depression trends in municipal government, the new factor of relief, and farsightedly, a program to be followed in future years. The emphasis of the report is not on governmental inefficiency or unresponsiveness, but on the need for re-evaluation by the citizen of just what he wants of his government, which services he will want stressed in coming years, and what shall be the financial techniques employed.

It must be peculiarly satisfying to a citizen to be able to enjoy the luxury of a long-range point of view such as is suggested by the Dayton Association, without worrying inordinately about spoils grabs which might be going on now under his very nose.

Research Bureau Reports Received

Agriculture

Minnesota and the Agricultural Situation. Minnesota Institute of Governmental Research, *State Governmental Research Bulletin No. 10,* April 1939. 32 pp.

Borrowing

On Looking Before One Leaps—II. Atlantic City Survey Commission, April 7, 1939. 5 pp.

Child Welfare

The Cuyahoga County Child Welfare Board. Citizens League of Cleveland, *Greater Cleveland,* March 23, 1939. 4 pp.

City Charter

The City Charter. Rochester Bureau of Municipal Research, *Municipal Research,* March 1939. 1 p.

Cost of City Government

Annual Costs. Rochester Bureau of Municipal Research, *Municipal Research,* March 1939. 1 p.

The Controlling Principles of a Plan to Improve Local Government. Dayton Research Association, February 1939. 39 pp.

Opportunities for Economizing in Providence City Government. Providence Governmental Research Bureau, March 1939. 7 pp.

Cost of State Government

Economy Manual for New York State Budget. New York State Bureau of Governmental Research. 15 pp.

Merit System

A New Classification and Compensation Plan. Citizens League of Cleveland, *Greater Cleveland,* April 6, 1939. 3 pp.

Philadelphia's Proposed Personnel Agency. Philadelphia Bureau of Municipal Research, *Citizens' Business,* March 28, 1939. 2 pp.

Public Safety

About Policemen and Merit. Detroit Bureau of Governmental Research, *Just a Second,* March 24, 1939. 2 pp.

Public Utilities

Electric Rates (Schools and Homes). Kansas City Civic Research Institute, *Kansas City Public Affairs,* April 6, 1939. 3 pp.

The 50% Increase in Water Rates. Philadelphia Bureau of Municipal Research, *Citizens' Business,* March 21, 1939. 2 pp.

Public Welfare

Public Relief Costs of 1938. Citizens' Bureau of Milwaukee, March 1939. 16 pp.

Transients and Migrants. University of California Bureau of Public Administration, *1939 Legislative Problems,* No. 4, February 27, 1939. 67 pp.

Volume and Cost of Relief, 1938. Rochester Bureau of Municipal Research, *Municipal Research,* March 1939. 1 p.

Taxation

Do New Taxes Relieve the Tax Burden on Real Estate? Department of Governmental Research of the New Jersey State Chamber of Commerce, March 27, 1939. 14 pp.

How Get in County and School Taxes? Kansas City Civic Research Institute, *Kansas City Public Affairs,* March 16, 1939. 3 pp.

Tax Delinquency

An Analysis of Delinquent Real Estate Taxes Paid in June 1937 During Period of Penalty Abatement. St. Louis Governmental Research Institute, *Mind Your Business,* April 1, 1939. 6 pp.

Tax Delinquency in California. University of California Bureau of Public Administration, *1939 Legislative Problems,* No. 14, March 28, 1939. 63 pp.

Transit

The Transit Ordinance. Philadelphia Bureau of Municipal Research, *Citizens' Business,* April 11, 1939. 2 pp.

Voting

The Abuse of the Absent Voter's Ballot. The Citizens League of Cleveland, *Greater Cleveland,* March 16, 1939. 1 p.

EDITORIAL

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physical improvements such as paving and water main projects, motorizing of garbage and ash collection, etc. And, very important to any city in these days, more than fifty new industries were brought to Trenton.

From the material standpoint this doesn't sound like failure. Why, then, did Trenton vote to change?

There were many contributing factors, some of which revolved around personalities and an inferior grade of civic morality. Probably the most destructive influence, however, stemmed from a powerful political boss of another New Jersey city whose attitude toward the entire state of New Jersey is notoriously possessive. This was colored, too, by a feeling of personal resentment toward the Trenton newspapers which from time to time have been courageously critical of a state political machine, and which were supporting the manager plan. At any rate, these political forces were less interested in administrative principles than they were in mending their own fences and destroying a non-partisan citizens' group.

Less than half the qualified voters of Trenton bothered to go to the polls, and opponents of the manager plan scuttled it with only 305 votes to spare out of a total of over 23,000.

So it is evident that the failure, if such there was, rested in a failure of civic leadership or failure of the people to play the part they must play in a democracy under which, by its very terms, government is not automatic.

Odds and Ends from Here and There

Democracy Defined

If Democracy is really "the organization of society on the basis of respect for the individual," it means far more than a government by show of hands. It means protection of minorities; it means respect for the dignity of the human being; it implies a system of justice for all men under law; it implies an honestly informed public opinion so that men may make decisions about their common problems as near to the sunlight of truth as man may hope to approach. George V. Denny, Jr., President of Town Hall, New York, in *Annual Report of the President to the Board of Trustees.*

Democracy is a living, vital thing, changing its pattern with the generations, and living because it changes. It has evolved through many centuries; it has known contributions from many races. But if history tells us anything at all about democracy, it is that the way to its achievement is not the way of compulsion but the way of freedom. No state ever became a democracy because it was compelled to be. Democracy is an outgrowth of the voluntary reactions of free people. Dr. Harry Woodburn Chase, Chancellor, New York University, in *Planning the Future with Youth,* as quoted in *Recreation,* April 1939.

No one can look at the world situation today without recognizing the unique function of education in a democracy where the wisdom, the morality, and the vitality of the state and the freedom, well-being, and happiness of the population rest so directly upon the education of all the people. It may well be doubted if there can be democracy without free education, or anything else but democracy where education is free. Foreword to *Education for American Life,* by Luther Gulick, Director, The Regents' Inquiry into the Character and Cost of Public Education in the State of New York.

Portsmouth Likes Its Manager Government

The value of the city manager form of government in Portsmouth has been demonstrated so soundly, so strongly, so conclusively that there can be no successful argument to outweigh it. The people of Portsmouth definitely should retain the present form of government, for their own sake and for their children's. Editorial on proposal to abandon manager plan, *Portsmouth, Ohio, Times,* March 1, 1939.

Why Not Central Heating!

The progress that has been accomplished in housing is altogether commendable; but we are pulled up with an uncomfortable jerk when we read a report of a dispute between the Department of Health for Scotland and the Lanark County Housing Committee over the question of installing fireplaces in bedrooms of council houses. The Department consider that the burning of fires in bedrooms is undesirable, both in the interests of health and from the point of view of the safety of the occupants. As a result of the "careful consideration" which they have given to the question, the Department appear to have reached the conclusion that a fire in a bedroom may be desirable in the event of illness; so they have magnanimously agreed to fireplaces being provided in one or two bedrooms, but they cannot agree to fireplaces in more than two. . . . Scotland is not quite one of the warmest places on this planet in the dead of winter, and most people who have any knowledge of the conditions would, we think, agree with the view of the Lanark County Council that a fireplace is necessary in every bedroom. The County Council have declined to alter the plans which show a fireplace in every room. Let them keep the home fires burning! For one thing, how could Edinburgh, for instance, maintain her fair fame as "Auld Reekie" (in southern parlance, "Old Smoky") if the Department of Health are going to put a damper on the friendly, cheerful, homely fire! *Municipal Journal and Public Works Engineer,* March 10, 1939.

City Forests as Investments

There are in the United States more than 1,500 community forests which contain about three million acres, according to the Forest Service of the United States Department of Agriculture. More than 143,000,000 trees have been planted in these forests. It is estimated that the eventual net return from properly managed forests will range from three dollars to five dollars an acre annually. These forest areas are owned by cities, counties, school districts, and other local units for the production of timber crops, recreation, watershed protection and various other purposes. Public Management, March 1939.

Recent News Reviewed

States Condemn Their Own Trade Barriers

Idaho Modifies Its Administrative Setup

Manager Campaigns in Many Cities

By H. M. OLMSTED

"Balkanization" of the states of the union, as someone has aptly termed it, has been increasing during the past few years. It has taken the form of hundreds of trade barriers erected by the states under the aegis of taxation or police powers. These barriers, covering a multitude of goods shipped in interstate commerce, are intended primarily to protect and subsidize local producers and distributors from the competition of out-of-state products. In the long run, they react to the disadvantage of the states enacting them, as well as harm the welfare of the national economy.

Many groups have been aware of the existence and danger of such barriers for some time. It was not until recently, however, that a concerted effort was made to publicize them and examine intelligently ways and means of eliminating them. This was on the occasion of the National Conference on Interstate Trade Barriers held in Chicago April 5th, 6th, and 7th by the Council of State Governments.

The council, a joint governmental agency of the thirty-eight states which have established commissions on interstate coöperation, was requested by official representatives of the several states, meeting last January at its fourth general assembly in Washington, D. C., to take action on this problem. Shortly thereafter a group of experts were invited by the executive director of the council, Frank Bane, to confer with him on procedure to be followed in stimulating interest in the proposed conference and in delimiting the problem, at least for immediate consideration.

The council undertook to study the nature and extent of these barriers. Dr. F. Eugene Melder of Clark University, pioneer in interstate trade barrier research, joined the staff and prepared a number of bulletins. These were intended for the use of, and distributed to, state officials selected to serve on special agriculture, commerce and industry, taxation, and liquor control committees. Commissions on interstate coöperation, governors, speakers of the state houses, and presidents of state senates were urged to appoint delegates. Various interest groups were notified that they could send unofficial representatives in order that the problems might be reviewed from all angles.

Climaxing these preliminaries, the delegates to the conference gathered for a three-day meeting. Forty-four states and the federal government were represented. Over

four hundred delegates or guests attended. Seven governors traveled to Chicago to participate.

Most of the business of the conference was carried on by special committees. Their members first sat behind closed doors and prepared reports and recommendations which were later examined and criticized at open hearings. These reports were then submitted to the state delegates in general session. In addition, series of general resolutions were adopted by the conference. In brief, they expressed unreserved opposition to the erection of discriminatory trade barriers; called for a program of action to bring about their eradication, including direct repeal, the adoption of uniform laws, and reciprocal agreements, the initiation of regional hearings, and the projection of additional surveys and factual studies; urged the council to use its facilities to arrange for conferences upon petition of the states; requested the council to undertake a study to determine the feasibility of interstate compacts in attaining the general objectives; and declared approval of the Congressional investigation of freight rates and urged continued effort in arriving at an equitable basis for the United States.

Leading speakers at the various sessions and dinners included Governors Robert L. Cochran of Nebraska, president of the council, Lloyd C. Stark of Missouri, Carl E. Bailey of Arkansas, and M. Clifford Townsend of Indiana; Robert L. Jackson, solicitor general of the United States, Hon. Harold C. Ostertag, chairman of the council, Fred I. Kent, chairman of the Commerce and Marine Commissions of the American Bankers' Association, and Henry F. Long, commissioner of corporations and taxation of Massachusetts. Although they did not address the formal gatherings, Governors Hugh L. White of Mississippi, Homer A. Holt of West Virginia, and Julius P. Heil of Wisconsin actively participated.

Perhaps the keynote of the conference was rung by Governor Cochran when he emphasized to the assembly "that any problem of government which can be met as well or better by the states should be met by the states. . . . Interstate trade barriers are the creation of the states, in the exercise of their sovereign authority. By the exercise of that same sovereign authority, the states can and I am convinced will solve the problem they have created." It was Governor Stark who pierced the shell of the problem when he pointed out that "it is when we view these trivial irritations in the aggregate, when we sum up the varied antagonisms and retaliatory laws which follow drastic methods of 'protecting' home industries, that we realize how serious this condition might become."

A high note of enthusiasm for what the conference had accomplished accompanied the adjournment. As a result, state delegates are more aware of the implications of trade barriers and their boomerang effects. The public, through the extensive publicity given to the conference, is being informed of the situation, and state governments from now on will begin to probe more assiduously into the meaning and desirability of proposed discriminatory legislation and administration. The conference, in other words, has helped to expose the problem, and as such has opened the way for a return to the traditional policy of free trade among the states.

THOMAS S. GREEN, JR.
Council of State Governments

Idaho Government Undergoes Extensive Modification

The twenty-fifth session of the Idaho legislature, just closed, has been notable from many points of view. It is the first time since 1928 that Idaho has had a Republican governor and legislature. The new administration was elected on an

economy platform, and, in spite of valiant opposition on the part of numerous pressure groups, total expenditures were pared considerably below those of recent years. Budget reductions were quite uniform, no unfair discrimination appears to have been shown.

Considerable substantive legislation of major importance was passed, but the session was significant mainly for the alterations it made in the administrative structure of the state.

Idaho's administrative organization underwent its first major operation in 1919 when some forty-odd departments and commissions were consolidated into nine single-commissioner departments responsible directly to the governor. The consolidation was not comprehensive because it left untouched six constitutionally elective executive officials, a half dozen ex officio administrative boards, some of which exercise important powers, and several other independent agencies which for various reasons were exempted from molestation. No merit system was included in the act.

Of course, this original act has not escaped remodeling in the intervening years; however, until the 1939 session, the dominant pattern of Idaho administrative organization has tended strongly toward integration with numerous and perhaps ever increasing exceptions.

The six major changes made by the legislature just adjourned fall into two groups, the first group conforming to what has come to be more or less accepted as the most workable form of administrative structure, the second departing sharply from that point of view.

Included in the first group are the following: expansion of the budget to include expenditures of all departments and to that end abolition of all "continuing appropriations"; consolidation of tax-collecting functions into a single department; consolidation of the functions now performed by the bureau of budget, the bureau of public accounts, and the claims examiner under a newly created state comptroller, creation of a state police responsible directly to the governor; and the adoption of the merit principle in several departments.

All of these changes are in the right direction, but in several cases they do not go far enough. The bringing together of numerous heretofore scattered taxing agencies did not sweep the slate clean, for half a dozen important taxes are still collected by at least three other departments. The new post of state comptroller is not clearly distinguishable in function from the elective state auditor.

No less than five separate departments provide for selection of employees upon a merit basis under legislation going into effect in 1939. No central personnel agency has been established nor have any facilities for pooling of work or interdepartmental coöperation been provided. It is hoped that faulty apparatus will not produce such disappointing results in Idaho's first essay at the merit system that the movement itself receives a setback.

The second group of changes are the direct result of recent occurrences in several operating departments that have led to rather widespread dissatisfaction. In recent months a growing public sentiment has seized upon the idea of "taking certain activities out of politics" by transferring control from the chief executive to a "non-partisan" board. A well organized campaign by sportsmen groups succeeded in putting through the commission idea for fish and game management by initiative at the general election of November 1938. Influenced perhaps by this incident, Governor Bottolfsen advocated similar treatment for the department of public welfare, administration of workmen's compensation, and the state liquor monopoly, and the

requisite legislation was enacted. All the activities mentioned above now function under essentially similar structure; a bipartisan commission with overlapping terms to establish general policy and select a full time director to carry on actual administration.

Certain minor modifications including the creation of a bureau of industrial hygiene within the department of health and the setting up of a noxious weed control commission complete the structural renovation for 1939.

The Idaho legislature, traditionally independent, was in no sense subservient to the Governor, nor did he attempt to drive his program through by cracking the whip, yet the fact remains that the program did go through virtually unchanged. Much of the credit for this must go to the Governor himself and his forthright proposals which were definite, concise, and accompanied by frank statements explaining their justification.

L. H. Chamberlain
University of Idaho

Merit System for New Mexico and Minnesota

A bill establishing a merit system commission in New Mexico, to administer civil service provisions for employees of state institutions, the state police service, and the Port of Entry Board, was signed by Governor Miles on March 13th.

A state civil service act in Minnesota was signed by Governor Stassen on April 22nd. It had previously overwhelmingly passed both houses of the legislature.

A constitutional amendment for the merit system in Kansas will be submitted to the voters at the next general election, by action of the legislature.

A state personnel measure for Georgia, passed by the Senate, was not acted on by the House before adjournment; but the legislature did adopt a civil service law applicable to the city of Atlanta.

Other states where civil service acts were dealt with, according to the April *News Letter* of the Civil Service Assembly, included North Dakota, where a state civil service bill was passed by the Senate but postponed indefinitely by the House; Indiana, where a bill to place institutional employees under the personnel division of the department of welfare received a vote of twenty-two to eighteen in the Senate, but failed to secure the necessary constitutional majority; Oklahoma, where the House defeated a state civil service measure sixty-two to thirty-seven; Arizona, where a proposed state act lost in the House by a tie vote; and Iowa, where the House approved a merit system for state highway commission employees.

The merit system in Wisconsin, which was established in 1905, may be in jeopardy, as indicated by the statement, "I am still of the opinion that to the victors should go the spoils," reported to have been made by Governor Julius P. Heil, who also stated, however, "We still have civil service and it must be respected." Governor Heil is also reported to have asked that the budget of the Civil Service Bureau be reduced to $42,500 —a slash of $25,000. One explanation given was that the total number of state employees was to be radically reduced.

Four-year Terms for New York Senators

Both houses of the New York State legislature have now passed the proposed constitutional amendment to extend the term of state senators from two to four years. The resolution must be resubmitted to the 1941 legislature, and if adopted at that time and approved by referendum, will be put into effect in 1942.

State School for Virginia Police Recruits

The third annual state-wide central police recruit school in Virginia, open to present and prospective county, city, and town police officers, will be held at the University of Richmond for two weeks beginning June 12th.

New Election Code for Illinois Completed

A proposed new election code, drafted by a special five-man commission created by the legislature in 1937, was submitted to Governor Henry Horner and Illinois legislative leaders April 18th. The proposal includes: abolition of absentee voting; creation of a single county unit for all elections except in cities that have adopted the city election act; consolidation of all elections so far as constitutionally possible; creation of a single precinct system; adoption of a registration plan applicable to all sections of the state; and elimination of all special elections where possible.

Departmental Reorganization for Winnipeg

According to the Winnipeg (Manitoba) *Free Press* of March 22nd, reorganization plans creating three new civic departments and eliminating six existing departments by mergers, were presented by the Goldenberg commission in its report on the financial position of Winnipeg. Appointment of a personnel officer in charge of staff changes, coördination, and conditions of employment, was also recommended.

The proposed new departments would be public works, public welfare, and public utilities. The change would reduce the number of civic departments from sixteen to thirteen.

The commission paid tribute to the calibre of civic officials now serving Winnipeg. It rejected proposals that Winnipeg adopt the city manager system, and stated that a large measure of coördination of activities now exists by virtue of the active exercise of its powers of control by the all important finance committee of city council.

Winning Cities in Health Contest

In the city health conservation contest sponsored by the Chamber of Commerce of the United States and the American Public Health Association, in which awards are made for effectiveness in meeting health problems, the winners for 1938, announced on April 19, 1939, were, by population groups: Over 500,000, Cleveland; 250,000 to 500,000, Providence; 100,000 to 250,000, Grand Rapids; 50,000 to 100,000, Newton, Massachusetts; 20,000 to 50,000, Plainfield, New Jersey; under 20,000, Englewood, New Jersey. In a special contest for tuberculosis control Hartford, Connecticut, and Newton, Massachusetts, tied for first place; the winner of a special contest for syphilis control was Louisville, Kentucky.

Cities Expand Municipal Services

In the group of cities of more than 10,000 population at least 169 added new city activities or services within the last year, while only eleven cities in this population class discontinued one or more regular activities, according to a report by the International City Managers' Association.

Forty-six more cities reported sewage disposal or treatment plants than in the previous year. Municipal refuse or garbage collection service was established in eight cities, while eight others acquired new water works systems. Two cities purchased privately-owned systems. Swimming pools or bathing beaches were provided for the first time by eleven cities. New parks were established in seven cities,

and recreation departments set up in seven more. Four cities constructed municipal stadiums, and two set up city museums. Public libraries were established in four cities. Three cities created health departments.

Municipal governments paid their employees more than one billion dollars in salaries and wages last year, an increase of more than $30,000,000 over 1937, according to the association. In its survey of 777 cities over 10,000 population, it found that 518,607 employees of these cities received most of this sum at an average wage of $1,740 per person. This was a $50 per person increase over the 1937 average but $80 per person short of the 1936 average. The survey covered all employees except those of schools.

Survey Shows Manager Plan Improved Fire-fighting

Sixty fire chiefs who were polled on the effects of the city manager plan on their departments reported that the manager plan had resulted in improved fire-fighting, including such results as better working conditions, higher wages, and modernized facilities. The survey was conducted by the fire protection magazine *Fire Engineering*.[1]

Three City Utilities Operated by New Board in Memphis

With municipal ownership of water, electricity, and gas achieved in Memphis, Tennessee, the city has consolidated administration of these utilities under a board of light, gas and water commissioners, created by the state legislature as an expansion of the previous light and water commission, whose members constitute the first membership of the new board. Its jurisdiction extends throughout Shelby County.

The city commission fixes the salaries of the three municipal utility commissioners. Upon expiration of the present board members' terms, which end two years apart, the city commission will elect their successors, for four-year terms.

The new board will have a full-time president and a vice-president, designated by the city commission. The vice-president may also serve as chief engineer, a full-time position.

The city commission must approve appointment of the chief engineer, secretary, and attorneys. The board will name other officials and employees and fix salaries and fees, excepting those in excess of $5,000 a year.

The board must meet at least once a week. It may fix utility rates, with the approval of the city commission. Monthly operating statements and any other information desired must be furnished the city commission. Separate books and accounts must be kept for light, gas, and water operations.

The board may enter into contracts for purchase of power and gas for periods not to exceed five years without obtaining approval of the city commission, which, however, must pass on any contract for more than $50,000, and must grant permission before the board can issue bonds or notes, or incur debts as a lien on the property.

Louise Gambill
Memphis Municipal Reference Library

British Town Planners to Meet

The Garden Cities and Town Planning Association, of London, England (13 Suffolk Street, Pall Mall), holds its annual conference in Cardiff, Wales, May 26th to 30th. Decentralization is to be discussed, along with other planning problems.

The association has arranged a town planning cruise in the Baltic Sea, visiting

[1] *Fire Engineering*, March 1939.

Copenhagen, Zoppot, Wisby, Helsingfors, Stockholm, and Kiel, from June 24th to July 7th.

Engineers to Discuss Government and Business

The inter-relations of business and government will constitute the general theme of the ninth annual Economics Conference of Engineers at the Stevens Engineering Camp, Johnsonburg, New Jersey, June 24th to July 3rd, under the auspices of Stevens Institute of Technology, Hoboken, New Jersey. In issuing the call for the 1939 conference, the college is joined by the management division of the American Society of Mechanical Engineers and the New York section of the American Institute of Mining and Metallurgical Engineers.

New York Mayors to Consider Many Problems

Relief administration and financing, handling and disposal of tax-foreclosed land, municipal pensions, review of assessments by courts or some other agency, simplification of tax foreclosure procedure, municipal borrowing, and tax restrictions are among the problems to be discussed at the thirtieth annual meeting of the New York State Conference of Mayors, which will be held at Hotel Niagara, Niagara Falls, June 5th, 6th and 7th.

The fire chiefs, city and village clerks, municipal engineers, and municipal attorneys will hold their annual meetings at the same time and place. Special round table meetings for the discussion of local problems will be held by mayors, aldermen, village officials, municipal attorneys, and managers.

Citizens' Conference to Meet

The first Citizens' Conference on Government Management will be held at Estes Park, Colorado, during the week of June 19th, under the joint sponsorship of the Alfred P. Sloan Foundation and the University of Denver. Its central theme is the quickening of citizen interest in the processes of government. The program is designed to provide a forum in government management (with particular emphasis on local government), which is not limited to the interests of those professionally engaged in the public service, but which will emphasize the share of the lay citizen in the burden and benefits of governmental activities. A copy of the program, together with a statement of its special interest as an experiment in citizen education may be had by addressing the Department of Government Management at the University of Denver, Denver, Colorado.

Manager Plan Makes Progress, Encounters Setbacks

The village of **Ludlow, Vermont,** voted on March 28th to have a manager jointly with the town of Ludlow, which voted favorably on the idea on March 7th.

An ordinance creating the office of city manager, with limited powers, in **Lake Forest, Illinois,** has been adopted by the city council. The city engineer has been appointed manager.

Wilmette, Illinois, on April 18th voted to retain the manager plan, 1,374 to 1,265.

Allegan, Michigan, has voted to revise its charter and has elected a commission of nine for the purpose.

South Euclid, Ohio, will vote June 6th on the manager charter now being prepared by the charter revision commission.

According to the recently enacted statute authorizing a popular vote on the question of establishing a city manager form of government in **Greenville, North Carolina,** a referendum can be held any time within the two years beginning July

1st, at the will of the new Board of Aldermen.

Calais, Maine, on April 3rd voted against adoption of city manager government, 1,465 to 367.

On April 3rd the voters of **Ann Arbor, Michigan,** decided against the election of a commission to draft a new charter for the city. It is expected, however, that council will appoint a charter study committee to make recommendations for possible charter changes.

Sheffield, Alabama, defeated a manager plan charter on May 1st by a vote of 688 to 115.

Legislative Action

Although the enabling act, adopted a year ago, which permits **Massachusetts** cities to adopt "Plan E"—city manager with P. R.—excluded the city of **Boston,** the sponsor of the law, Chandler W. Johnson, is urging that the voters of that city be given the same right. A City Manager League was recently formed in **Springfield** to work for the adoption of Plan E; and **Worcester** is also reported to be interested in the plan. In **Chicopee** petitions are being circulated to place Plan E on the ballot at the 1940 election.

The Pennsylvania Senate has voted favorably on the bill to give **Philadelphia** a city manager-P. R. charter. The bill is now beforeM the House.[1]

A similar bill for **Pittsburgh** has also passed the Senate and is now awaiting now before the House.[1]

A compromise charter revision plan is indicated as to **Providence, Rhode Island,** involving a referendum on the question of creating a charter revision commission and simultaneous election of such a commission if the question is decided in the affirmative.

The bill providing the city manager plan with proportional representation for **Waterbury, Connecticut,** has now passed the House. It is expected that it will be passed by the Senate also and signed by the Governor. The bill provides for a referendum in Waterbury on October 3rd.

The legislature of **Maine** recently enacted a bill permitting small towns located in close or reasonable proximity to each other to combine and employ one town manager to administer their local governments.

On May 2nd the Illinois House of Representatives killed the proposed manager bill for cities of that state by a vote of 69 to 66. Just previous to this vote, the House had amended the bill to exclude Chicago. On April 18th the House, sitting as a committee of the whole, heard advocates and opponents of the proposed enabling act before crowded galleries. Among the advocates were James Weber Linn, professor of English at the University of Chicago and a member of the House; H. V. McCormick, chairman, and Roger Dunn, secretary, of the Chicago City Manager Committee, Mrs. O. N. Foreman, vice-chairwoman of the Illinois League of Women Voters, and Willis J. Spaulding, city commissioner of Springfield and nationally known in the municipal utility field. Opponents included Albert Weisbrod, professor of political science at John Marshall Law School in Chicago; John H. Lyle, former Chicago municipal judge; Joseph Keenan, secretary of the Chicago Federation of Labor; and Michael H. Ryan, attorney, Civil Service Protective Association.

Other Cities Interested

A bill to permit the voters of **Frederick, Maryland,** to adopt the manager plan has been introduced in the General Assembly of the state.

In **Fair Lawn, New Jersey,** a final report expressing belief that the council-manager form of government "would prove of definite value to the electorate of

[1]See also page 398.

Fair Lawn" was adopted recently by the commission which has been investigating the advisability of instituting the new government in the borough.

Advocates of the manager plan, with a five-member council, for **Clifton Forge, Virginia,** are expecting to submit a petition to the circuit court, calling for an election within the next few weeks.

Petitions to abandon the manager plan in **Ashtabula, Ohio,** have been circulated. Five previous attempts to discard the plan have been defeated by the voters.

The city council of **Modesto, California,** has decided against the holding of an election on the manager plan at this time.

The question of a city manager for **Louisville, Kentucky,** is being discussed; a public meeting was recently held at the initiative of a director of the State Taxpayers' League.

The manager plan is advocated for **Devils Lake, North Dakota,** by Mayor W. E. Hocking. Petitions asking that the city commission place the proposed change before the voters have been circulated.

A permanent organization has been formed in **Pueblo, Colorado,** to further the movement for council-manager government. The nucleus is reported to include some thirty-five prominent business and professional men representative of a large cross-section of the population. An expert survey of the city is being considered.

In **Prince Rupert, British Columbia,** the Chamber of Commerce and the Trades and Labor Council are jointly considering a city manager proposal. Committees of the two bodies are to study the idea and confer with a view to recommending a line of action.

In **Montreal, Quebec,** the possibility of creating a charter revision commission, composed of councilmen and other representative citizens, is being discussed.

Other cities where interest has recently been displayed in the manager plan include **Newark, New Jersey; McCook, Nebraska; Lakeview and Klamath Falls, Oregon; Point Pleasant, West Virginia; Mobile, Alabama; and Laguna, Oroville, and Roseville, California.**

Trenton, New Jersey, Abandons Plan

With only 40 per cent of the voting strength participating, Trenton, New Jersey, on April 11th discarded its council-manager form of government to return to its former five-man elected commission. The vote on the recall petition was 12,619 to 10,925.

The city adopted council-manager government on March 19, 1935, by a vote of 18,623 to 11,676. The original change was the result of a three-year campaign by Trenton's Good Government League.

Constant disagreement between the members of the council and City Manager Paul Morton contributed in a large measure to general dissatisfaction with the system. Morton resigned March 1st after having previously offered to quit in June 1937. The circulation of petitions to recall the council manager government is thought to have prompted his action. Sidney Goldman, city attorney, has acted in the capacity of city manager since Morton's resignation.

Petitions for the recall of the council-manager government had been in the process of circulation for several months prior to the election. Three weeks ago a citizens' committee, known as the Citizens Council, was organized to fight the movement, but their efforts in that direction were begun too late to be effective.

CLAUDE PRAY
Columbia University

Kentucky City Prospers under Manager Plan

The first year of city manager operation in Hazard, Kentucky, where the plan went into effect January 1, 1938, showed a saving of more than a thousand dollars a month, compared to an average year under the former council. Hazard, with a population of somewhat under 10,000, is the first of the smaller Kentucky cities to adopt the manager plan. Improvements effected include reorganization of the police department, retirement of $12,000 of floating debt, installation of modern bookkeeping, purchasing of new equipment, and a better garbage collection system.

Raleigh, North Carolina, to Vote

The North Carolina General Assembly has once more enacted a law permitting the capital city to vote on the adoption of the manager plan. The proposal met with an adverse vote of the people on a prior occasion, but the fact that there was no dissent raised in the legislature may indicate a change of opinion. The election will take place in October or November 1940, and, if successful, the new manager will be installed in office May 1, 1941. Raleigh had a population of 37,379 in 1930 and has been governed under the commission form since 1913.

E. A. Mauck
University of North Carolina

Counties Little Affected by New Legislation

Manager Amendment for Nebraska Constitution

By PAUL W. WAGER

Nebraska Would Clear Way for Managers

The 1939 session of the Nebraska legislature has passed a constitutional amendment relating to home rule for counties which will be voted upon at the general election in the fall of 1940. If approved by the electorate, the way will be open for a future session of the legislature to pass an enabling act on county government which would make possible the county manager form. This same constitutional amendment was proposed in the 1937 session but defeated by the organized opposition of county officials.

The people of Douglas County, which includes Omaha, voted overwhelmingly in 1934 for the county manager form of government as provided under the enabling act of 1933, to be effective as of January 1, 1937. Its constitutionality was attacked, however, on the ground that an appointed county manager would be exercising the functions of an elected county official which would be in conflict with a section in the constitution which reads as follows: "The legislature shall provide by law for the election of such county and township officers as may be necessary." The Supreme Court overruled the district court by upholding this point of view, thus making necessary the constitutional amendment as passed in the recent session.

W. L. Pierpoint
Association of Omaha Taxpayers

State Fiscal Agent for New Hampshire County

The New Hampshire legislature this week enacted a law which establishes a unique precedent in this state. By statute it provided for a fiscal agent to administer and control the finances of Coos County. The fiscal agent is to be appointed by the Governor and Council.

New Hampshire counties form a somewhat rudimentary layer of government having only the functions of providing for the relief of the indigent who are without a settlement in a city or town and for the courts. The New Hampshire counties

usually maintain almshouses and county farms. Several of them have hospitals for treatment of the aged and indigent.

Lack of response to protests against rapidly increasing county expenditures led to the introduction by the legislators from Coos County of the bill which virtually is expected to supersede the financial powers of the three elected county commissioners by vesting such powers in a fiscal agent appointed by the Governor and Council.

This seems to be home rule in reverse for by it the state recalls from local control in the instance of a particular county powers which are granted to all counties by general law. Needless to say, the nine other boards of county commissioners in New Hampshire will watch with more than passive interest the success or failure of the fiscal agent in achieving tax reduction in Coos County.

Stephen B. Story
New Hampshire Emergency
Relief Administration

North Carolina Legislature Preserves Status Quo

The North Carolina General Assembly adjourned sine die on April 3rd after having enacted important state-wide legislation affecting county government in only one respect. This was legislation designed to eliminate or greatly reduce the amount of fraud in elections. Laws were passed repealing absentee voting in primaries and restricting it in general elections, curbing the amount of assistance rendered to illiterate voters in primaries, and providing for revision of the registration books. There was one minor revenue concession to the counties and cities, namely an increase in their share of the yield of the property tax on intangibles from 50 per cent to 60 per cent.

A bill creating a state department of justice was so emasculated before passage as to leave virtually nothing except the title. An effort to reduce the number of justices of the peace met with no success. Neither did a bill which would have constituted the county boards of commissioners zoning bodies with authority to make a modest beginning in roadside beautification and protection. There was no advance in social legislation, and none in public education except to recognize the mandate of the Supreme Court and make provision for professional schools for negroes. Nothing was done for rural libraries.

While not pertaining directly to county government, it may be reported that constructive legislation was enacted in the field of public health. One new law requires a physical examination before a marriage license can be issued and another requires examination of expectant mothers. Still another requires immunization of all children from diphtheria. Funds were also authorized for an additional tuberculosis sanatorium.

There was the usual grist of public-local acts, that is, acts affecting a single county or a single city. While some were constructive, most concern some detail of organization or administration which ought not to require the action of the state legislature.

Altogether, the status quo was less disturbed by the legislature which just adjourned than by any legislature in many years. This was apparently in keeping with the wishes of the people.

No Clearance for County Government Reform in Ohio

Although the voters of Ohio in 1933 wrote into the state constitution provisions for the enactment of optional forms of county government which any county could adopt by majority vote, the General Assembly still refuses to enact legislation making effective the county home rule amendment. At least one proposal has been before each session since 1933 and

two proposals were before the present legislature—one, the Citizens League's bill; the other, the Ohio Institute bill. The latter was "indefinitely postponed" by a unanimous vote of the House committee on organization of state government; and the senate bill is in a comatose condition with little hope of revival.

Both bills provided for two forms of county government:

(a) A county council with an elective chief executive;

(b) A county council with an appointive chief executive (county manager).

Both provided for the appointment of a limited number of heads of departments by the chief executive and the transfer to each of those departments of county functions now administered by the seven or nine independently elected county officials. Both provided for the merit system and a budget plan, and left broad powers of organization to the county council. Both bills provided for a form of government which would make possible many economies and much efficiency in county government.

Counties would not be required to adopt either form, but could continue under the present loose elective system. But the General Assembly refuses to give populous counties the opportunity to simplify their government or to make it more economical and efficient by reorganization.

The chief opposition to both bills were the county officials over the state and the Suburban Mayors' Association of Cuyahoga County.

Consolidation of Tennessee Counties Sought

Residents of Union County, Tennessee, presented a petition to the Governor in April requesting the merger of all of Union County with Knox County (Knoxville). This sets in motion the machinery provided by the 1939 county consolidation act.[1] The petition is said to bear the signatures of approximately eight hundred qualified voters, about twice as many as necessary to meet requirements.

The Tennessee Valley Authority acquired nearly 42 per cent of the area of Union County for the Norris Lake reservoir. Because Union County is predominantly a rural economy, this property accounted for 41.5 per cent of the total assessment in the year prior to TVA land purchases. The taxes on this property amounted to 17.6 per cent of total county revenues. The merger is proposed as a solution to possible difficulties Union County might encounter in performing standard services with reduced revenues.

Lyndon E. Abbott
Tennessee Valley Authority

North Carolina County Seeks Manager

Citizens of Cumberland County, North Carolina, are seeking adoption of the manager plan and a consolidation of the diversified law enforcement elements in the county, with a view to obtaining greater economy and efficiency in government. The success of the plan in other counties is being pointed out by its advocates.

San Mateo's County Executive System Threatened

It is reported that petitions are being prepared for circulation requesting the supervisors of San Mateo County to call a special election on a proposition to abolish the position of county executive by charter amendment. Another group is reported to be seeking outright repeal of the charter and return to general law. Meanwhile the charter study commission is believed to be headed in the direction of the single county utility district plan, or even city-

[1] Described in National Municipal Review for April 1939, pages 312-313.

county government like that of San Francisco. Dissatisfaction with the present arrangement springs from the continuous feud between the executive and the board.[1]

California County Makes Fine Fiscal Record

Six years ago Oakland County was broke. It was worse than broke; it had spent $1,500,000 that didn't belong to it—sinking fund money, and money due the treasurers of the state, townships, and cities. Its bank account was overdrawn fifteen dollars. Today Oakland County has over $1,900,000 in the bank. Most of this it has collected for and owes to other governmental agencies—but the vital point is that this money is all segregated in proper trust accounts—thirty-eight of them. Nor is this all. The county has paid back all but $403,000 of the million and a half of diverted funds, and has enough on hand to pay back another $200,000. Most of the balance of $203,000 remains frozen in closed banks. During the six-year period the county has retired direct indebtedness amounting to $3,200,-254, leaving debts of the same character amounting to $2,476,217, to be paid over an extended period of years. Indirect obligations of the county, such as road and drain bonds issued for special assessment districts, townships, and cities, have been paid to the extent of $2,379,490.

These figures are impressive. The taxpayers of Oakland County have every reason to be pleased with the accomplishments of the past six years and we commend those officials responsible for these results of their efforts.

Bulletin, Oakland Citizens League, Inc.

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[1]See "County Manager Government in California," by Robert C. Houston, National Municipal Review, February 1939.

Trial Justice Courts in Virginia

Several years ago Virginia authorized any county in the state to substitute a single trial justice for a multitude of justices of the peace, and in the years since several counties have made the change with very gratifying results. Four years ago the new trial justices, virtually county judges, formed an organization to foster closer association, promote uniformity of procedure, and insure the fullest coöperation with the General Assembly and the state departments. At a recent meeting of the League of Virginia Counties, J. Callaway Brown, president of the Association of Trial Justices, reported on the work of these courts. A few sentences from his address are quoted:

"A trial justice for a county discharges practically the functions of both a police justice and a civil justice for cities. He is also the judge of the juvenile and domestic relations court. It is in connection with the juvenile and domestic relations court that we frequently have our most difficult and trying work.

"The courts over which the trial justice presides are the poor man's courts. Thousands never enter any other court and if justice is not administered to and for them in these courts, then they must suffer the penalties of injustice. In the overwhelming majority of cases the plaintiff, the defendant, and the accused cannot afford counsel and have to depend entirely upon the court for a proper consideration of his or her case. Frequently the court has to act as attorney for the plaintiff, attorney for the defendant, and as judge.

"A trial justice, not being hampered with a jury, while at the same time conducting his court according to proper procedure, can do so more expeditiously and more informally. Consequently he can give his cases a more personal atmosphere, inspiring the confidence of those who have to appear before him. . . . I do not know

of any other county or state official who has a better opportunity to render his fellow man worth while service. He is in a position to exercise a tremendous influence in his county towards improving the social and moral welfare therein."

Sales Tax Hits Home Owner

Legislatures Act on Local Finance

By WADE S. SMITH

If the home owner were a home owner and nothing else he might find it to his advantage for the state to levy a sales tax in order to reduce real estate taxes. But the average home owner has a family to support, and an extra dollar added to the cost of bread, meat, clothes, medicine, and other necessities makes just as big a hole in his pocket as one spent in paying a tax on his home. If he can be saved a dollar of property tax only by spending two dollars more for the goods he buys, he will be much better off without that kind of tax relief. And that is roughly what it amounts to when the legislature decides to help the home owner by levying a sales tax, according to a recent study of the Tax Policy League.[1]

For example, a sales tax at a 2 per cent rate and with no exemptions will not yield anything like enough revenue to offset the entire property tax. It will be sufficient to reduce it by perhaps three mills (if property is assessed at full value).

For a man with a $4,000 home, therefore, it would be possible to reduce his tax bil' twelve dollars a year if a 2 per cent sales tax were enacted and all of the yield from it devoted to property tax reduction.

But such a man (who would presumably have about $2,000 a year income out of which he must support a family) would find that the sales tax would cost him approximately twenty-four dollars a year. In other words he would lose just twice as much as he gained.

The sales tax would not be likely to relieve the home owner unless he had property amounting to $25,000 or over, and an annual income of $10,000 or over. Only a small percentage of home owners are in that category.

Professor Robert Murray Haig of Columbia University sized up the situation strikingly a few years ago when he said:

"To propose the substitution of general sales taxes for taxes on real estate as a measure of relief for the small man is an insult to intelligence and an affront to common sense."

HOW THE SALES TAX WOULD RELIEVE REAL ESTATE[1]

A taxpayer with				
Real Estate Valued at	*and*	*Annual Income of*	*Would save as result of 3-mill reduction of real estate tax*	*Would pay on 2% sales tax*
$2,000		$1,000	$6.00	$12.18
4,000		2,000	12.00	23.44
6,000		3,000	18.00	29.64
10,000		5,000	30.00	42.90
25,000		10,000	75.00	78.60
50,000		15,000	150.00	95.10

Arkansas Adopts State Supervision of Assessments

State supervision of local assessments in Arkansas will become an established fact on July 1st following appropriation of

[1]Tax Policy League, New York City, *The Home Owner and the Sales Tax.*

$60,000 by the recently adjourned General Assembly to carry on this work.

The 1937 session of the legislature passed a law providing for state supervision of local assessments but failed to pass the necessary appropriation act. The law provides for a Tax Department in the Arkansas Corporation Commission, this latter agency being given powers commonly lodged in tax commissions in other states. The state will be divided into seven districts, with one supervisor for each district. The Tax Department will be headed by a chief and will include on its staff a valuation engineer, a tax supervisor, a chief assistant supervisor, and six assistant supervisors.

Plans are being laid to hold an annual state-wide assessors' conference in Little Rock for the purpose of instructing assessors in general phases of assessment work. After the state meeting district conferences will be held at the behest of the district supervisors.

The work is being carried on with the whole-hearted coöperation of the state assessors' association and it is hoped that many of the inequalities now existing in the assessment system can be corrected.

ESTAL E. SPARLIN
University of Arkansas

Maryland Legislature Follows Commission's Recommendations

The revenue act passed by the 1939 Maryland state legislature and signed by Governor O'Conor follows very closely the recommendations made by the Governor's special Commission on Taxation and Revenue. (See NATIONAL MUNICIPAL REVIEW for March 1939.) It is calculated that the taxes provided for in this revenue act will raise $8,500,000 from the following sources:

Tax on beer increased from two and a half cents to three and one-third cents per gallon, increase effective after September 30, 1939;

Tax on liquor increased from $1.10 to $1.25 a gallon, increase effective after September 30, 1939;

Tax on wines increased to twenty cents a gallon, increase effective after September 30, 1939;

Tax on admissions and passes remains 1 per cent on gross receipts, and five cents per fifty cents value of passes;

Tax on cosmetics and toilet articles, now 10 per cent, to be discontinued after September 30, 1939;

Tax on recordation of legal documents to continue at ten cents per $100 of consideration;

License tax on music boxes to continue at $15 per machine;

Tax on motor vehicle title certificates (original titles only) increased from 1 per cent to 2 per cent, increase effective after September 30, 1939;

Tax on race track wagers increased from 1 per cent to 2 per cent, increase effective after August 1, 1939;

Tax on incomes increased from ½ of 1 per cent to 2½ per cent on earned income and 6 per cent on unearned income, to be effective on incomes for the calendar years 1939 and following. The 4½ mill flat rate tax on securities is repealed. To compensate the local governments for the loss of their share of this intangible property tax, a quarter of the collections of the new income tax will be returned to the localities where it was collected. Adjustment is also made in the tax on premiums of all varieties of locally-written insurance policies to compensate for loss of the intangible property tax on the shares of insurance companies.

D. BENTON BISER, *Director*
Baltimore Commission on Governmental Efficiency and Economy, Inc.

Nevada Defeats Lottery Proposal

The Nevada state legislature just adjourned was perhaps the most conserva-

tive session held in several years. It was distinguished by the comparatively large number of young and previously inexperienced members who gave serious and studied consideration to the legislation proposed, a hopeful indication for the future.

The proposal to enact a law to allow a state lottery passed by the senate was defeated by the votes of the young men in the assembly. Laws were enacted increasing the taxes on insurance premiums, on Diesel oil, and levying a one-cent tax on each package of cigarettes sold. No other measures for producing revenues were passed.

A law to prohibit the assessment for taxation of intangibles was enacted; and a joint resolution to amend the state constitution to prohibit taxation of intangibles, inheritances, or estates was passed. If enacted by the next legislature in 1941 this measure will be submitted to popular vote. The legislature reduced the state levy on real and personal property by more than 20 per cent as compared with the rate of the past two years. The rate fixed of fifty-eight cents per $100 of assessed valuation is the lowest in several years.

On the whole the legislature is to be commended for the things it refused to do.

F. N. Fletcher
Nevada Taxpayers' Association

Centralizing Administration of State Taxes

At least four states, during 1939 legislative sessions, enacted laws to centralize the administration of major taxes, according to the Federation of Tax Administrators. In addition, Colorado centralized administration of six major taxes under a director of finance as part of a general reorganization program.

Proposals for reorganization or centralization were adopted in Rhode Island, Alabama, Texas, and Idaho, the federation said. Similar proposals are pending before other legislatures, including Iowa, Minnesota, and California. In addition, a Michigan tax study commission recommends such administrative changes.

Under the Colorado plan, the director of finance will administer income, motor fuel, sales, service, store license, and use taxes. The administrative agency has four divisions—collection, investigation, audit and control, and claims and funds. Formerly, each was separately administered and collected.

The Idaho Tax Commission is administering eight new taxes as a result of legislative action. Administration of chain store and inheritance taxes was transferred from the commissioner of finance. Five taxes were transferred from the department of law enforcement, and one from the state treasurer.

The Texas legislature, in an effort to strengthen its tax administration, abolished the post of tax commissioner because, through lack of appropriations, it could not perform its statutory duties, and because the comptroller's office already was performing these duties. In Alabama the legislature substituted a single revenue commissioner for a three-man tax commission, while Rhode Island's legislators recently combined the administration of several taxes as part of a general reorganization.

In two states there were changes involving decentralization. Wisconsin shifted the administration of beverage taxes from the tax commission, which had administered eight major taxes, to the state treasurer. Oklahoma changed from a one-man to a three-man tax commission.

Nine states now administer their eight major taxes through one authority. The taxes include property, income, sales, gasoline, inheritance, motor vehicle, tobacco, and liquor levies. The states and

the authorities include: Rhode Island, Department of Coördination and Finance; Georgia, Kentucky, North Carolina, and Pennsylvania, Departments of Revenue; Oklahoma and Utah, Tax Commissions; New York, Department of Taxation and Finance; and Tennessee, Department of Finance and Taxation.

"Pay-in-Advance" for Public Improvements

Oregon municipalities may now lay up cash reserves to finance new public improvements under state legislation just passed, the Municipal Finance Officers Association reports.

Enactment of the law, which authorizes serial levies and sinking funds for specific anticipated construction, adds Oregon to a small but growing list of states making this provision during the last year or so.

California passed a law in 1937 permitting municipalities to set aside funds for capital improvements in advance of their purchase or construction. The cities of Topeka, Kansas, Hartford, Connecticut, and Lincoln, Nebraska, have been authorized by their legislatures to adopt the reserve fund plan of financing future improvements. Under its new charter effective in 1938 New York City may issue serial bonds for this purpose, and must prepare a separate budget for capital outlays.

Reserve funds for financing non-recurrent capital improvements are of special advantage to small municipalities, according to a forthcoming manual on local debt management by the association. The plan is cheaper than borrowing because it avoids interest payments. If it does not eliminate borrowing entirely, it reduces the amount of bonds and the term of years for which money would have to be borrowed.

The main danger, the manual points out, is that the fund is apt to be diverted from its original purpose and used for current purposes. In addition, taxpayers dislike to contribute to something from which they do not benefit immediately.

The California and Oregon statutes provide protection against these dangers. The new Oregon law permits counties, school districts, cities, and towns "to levy taxes serially to provide funds in advance for financing the cost of construction, reconstruction, improvement, betterment, repair, or rehabilitation of public building and public works projects."

A majority of the electors of any municipality must approve the tax levy and set its term. In any event the term is not to exceed five years, and levies each year are to be alike. Funds from these taxes are kept separate from other funds and are to be expended only for the purposes for which they were created, unless conditions arise which, in the opinion of two-thirds of the governing body, make further accumulation unnecessary. At this point, the voters must approve transfer of the money to the general fund.

Kentucky Court Voids Chain Store Tax

The Kentucky Court of Appeals has held the state chain store tax unconstitutional on the ground that the classification, based on the number of stores, is arbitrary and unreasonable. This decision by the highest court in Kentucky is of particular interest throughout the country for several reasons:

(1) Chain store taxes based on the number of stores are in effect at the moment in approximately half of the states, and have been sustained by the courts of many of the states—all of them in which the tax act now on the statute books has been attacked. The Supreme Court of the United States has also repeatedly sustained such measures. By its decision that such a classification is arbitrary, to the point of being unconstitutional, the Court of

Appeals has refused to follow precedent established throughout the United States.

(2) The gross sales tax act of 1930, designed to discriminate against chain store operations, was sustained by the Court of Appeals in Kentucky in 1931. Later, on substantially the same record, the Supreme Court of the United States declared the first Kentucky chain store tax law unconstitutional because the classification was arbitrary.

(3) For a number of years the Kentucky court has given a more stringent interpretation to the provisions of the constitution against confiscation than has the supreme court of any other state. Heretofore the court has given the standard interpretation to *reasonable classification*. Indeed, in the case involving the 1930 act, the court said in so many words that the standards prescribed by the Supreme Court of the United States in the decision sustaining the Indiana chain store tax based on number of stores, which the Kentucky court quoted with approval, were exactly the same as those prescribed in Kentucky.

The Kentucky decision on March 21st (*Great Atlantic and Pacific Tea Company vs. Commission*) came to the court on demurrer. Because the decision represents so radical a departure from the viewpoint expressed just prior to the time the present act was drafted, the Department of Revenue will ask for a rehearing. It is of interest in this connection that a majority opinion was concurred in by the same judges who were on the bench at the time the earlier case was unanimously decided. Two entirely new justices dissent from the finding of the majority in the present case. Presumably the way is still open, in the event the court adheres to its March 21st decision, to return to the Circuit Court and try the case on its merits.

James W. Martin

Commissioner of Revenue, Kentucky

Tennessee Legislature Moves to Raise Pay

The Tennessee legislature moved two prospective state constitutional amendments a step nearer adoption but killed a third that provided for a state income tax. Amendments to the state constitution can be initiated only by a joint resolution passed by a majority vote of each house. The measure must then be passed by a two-thirds vote of each house in the next General Assembly, and finally, approval of the electorate is necessary for adoption. No amendments have been made to the present constitution, which was adopted in 1870.

The 1939 General Assembly acted favorably upon two amendments initiated in 1937. One raises the pay of legislators from four dollars to ten dollars per diem and the other extends the term of governor from two to four years and makes him eligible to succeed himself. Amendments to extend the governor's term have been defeated by the second legislature four different times and by the electorate once. The present proposals will go to the electorate for referendum in 1940.

Consistent with action taken during the last several year, a tax moratorium law was passed by the legislature. Taxes for 1937 and prior years may be paid during 1939 without penalty and interest charges, although counties and cities may exempt themselves from the act. A bill to allow tax receiverships of tax delinquent property was defeated.

A proposal to levy a 3 per cent gross receipts tax on TVA power distributed by municipalities was finally dropped, with the expectation that other means will serve to offset revenues that will be lost when the Tennessee Electric Power Company properties are sold.

Lyndon E. Abbott

Tennessee Valley Authority

High Court Approves Taxation of Federal Salaries

Supplementing its ruling of last year when it held that salaries of employees of the Port of New York Authority, a state agency, were subject to the federal income tax, the United States Supreme Court recently sustained the rights of the states of New York and Utah to tax federal officials. The New York case involved the salary of a Home Owners Loan Corporation employee, the Utah case that of the salary of an employee of the Reconstruction Finance Corporation. The position taken was that tax immunity does not extend to salaries unless it can be shown that a measurable burden is thereby placed on the activities of the federal or state governments. In the New York case, Justice Stone cited the fact that the income tax "is not in form or substance a tax upon the Home Owners' Loan Corporation or its property or income, nor is it paid by the corporation or the government from their funds."

An Eventful Month in the Field of P. R.

Philadelphia, Pittsburgh, and Waterbury Bills Pass One House
Cincinnati Holds P. R. Vote in June

By GEORGE H. HALLETT, JR.

A Solid Press Backs the Philadelphia Bill

On the morning of a final Senate committee hearing at Harrisburg on the Woodward-Shapiro bill to give Philadelphians a chance to vote on the P. R.-manager charter drafted by the Philadelphia Charter Commission, the *Philadelphia Inquirer,* leading Republican newspaper, came out for the bill in a front-page editorial. The Democratic organization of the city and state had previously decided to give the bill solid support. The Republican organization of Philadelphia, allied with the majority party in both houses of the legislature, had just decided tentatively to oppose it, but this editorial, added to the support of the other three large Philadelphia newspapers—the *Evening Bulletin,* the *Record,* and the *Evening Ledger*—and to the almost united support of all Philadelphia non-political organizations with an interest in civic affairs, at once forced a reappraisal of the Republican stand.

Simultaneously it was made clear that if the Republican organization persisted in denying the people a vote on the new charter, there would be a fusion movement against it in the city this fall which would almost surely cost it the mayoralty and elect a city administration on the issue of passing the charter next year.

The *Inquirer* editorial (April 11th) was entitled "Hands Off! Let the People Vote on Charter." It read in part:

> The people of Philadelphia have the right to decide for themselves whether this city is to have a new form of government. To kill off the city charter proposal in the state legislature without permitting its submission to the voters would be a most serious mistake. . . .
>
> The feeling that numerous changes are needed in the basic law governing this city's operations has been widespread. The existing charter, now twenty years old, has been pronounced —and with good reason—to be outmoded and impracticable in many spots and badly in need of thorough overhauling.
>
> Agitation for a change has been fostered by the mishandling over a period of years of the city's financial affairs, the accumulation of deficits, and the annual budget-bungling exploits of an inept City Council. Smothering legislation that represents to many citizens the only practicable means of extricating the city government from its

present muddle would hardly quell public clamor for reform, but would aggravate it, with wide political repercussions.

Charles H. Woodward, one of the leaders of the Philadelphia City Charter Committee and son of Senator George Woodward, Republican sponsor of the bill in the Senate, recently made public an analysis of Philadelphia elections showing that, although the Republicans elected all twenty-two members of the Philadelphia council at the last council election four years ago and at every previous election since the present charter was adopted in 1919, the vote for other officials at the three elections since 1935 would have given quite different results. The vote in the presidential election of 1936 would have given the Democrats a clean sweep of the council if the council had been elected in that year. In 1937 the Democrats polled a bare majority of the votes in the city, 346,217 to 332,136, but the votes were so distributed by council districts that they would have given the Democrats sixteen members and the Republicans only six. In 1938 the Republicans polled a slight majority, 417,050 to 404,602, but so distributed that it would have elected only ten Republican councilmen to the Democrats' twelve. Mr. Woodward cautions his fellow-Republicans that it may be wiser as well as fairer to rely on the sure justice of P. R. than on the gamble of the present district plurality system.

Postscript. The charter bill was reported by the Senate Committee on Cities without substantial change and passed the Senate on May 1st by thirty-eight votes to eight.

Jay Cooke, leader of the Republican party in Philadelphia, issued a statement before the vote approving the submission of the charter to the people but calling on the people to defeat it.

Governor James let it be known that he would sign the bill if it passed the House of Representatives. The bill calls for a referendum on the fourth Tuesday after its enactment.

The Senate also passed the Pittsburgh bill discussed below by a vote of thirty-eight to eight. This bill calls for a referendum vote in November.

Pittsburgh Also Interested

Although it has received much less attention at this session than the Philadelphia bill, Pittsburgh also has a bill before the Pennsylvania legislature to give its electors the right to decide on a P. R.-city manager form of government. Similar measures have been introduced a number of times in recent years and have received strong popular and newspaper support, but never enough political support to put the bills through the legislature.

The Pittsburgh Charter Committee, sponsoring this year's legislation, recently elected Robert W. Pratt as its chairman and Mrs. R. Templeton Smith, president of the Allegheny County League of Women Voters, as vice-chairman. Other organizations which have supported such legislation in former years include the Civic Club of Allegheny County, the Allied Boards of Trade, the Chamber of Commerce, and the Central Labor Union.

Waterbury Due to Vote October 3rd

On April 20th the Connecticut House of Representatives passed the Waterbury P. R.-city manager bill, amended to set the referendum on adoption for the third of October. Assurances have been given that the Senate will also pass the bill and the Governor sign it in this form.

The amended bill postpones the regular city election this year to November 12th. If the vote on the new charter is favorable, the council will be elected by P. R. on that day and on taking office will proceed to appoint a city manager.

Cincinnati Votes in June

The Cincinnati City Council has set

June 6th for the special election on the Republican organization's proposal to repeal P. R. for City Council elections and substitute a nonpartisan plurality election at large without primaries.

It has also decided to send to every voter a statement of the arguments for and against the proposed charter amendment. The argument for the amendment and against P. R. is signed by three Republican organization leaders, Chase M. Davies, State Senator Laurence Kane, and City Councilman Willis D. Gradison. The argument against the amendment and for P. R. is signed by Murray Seasongood, first mayor of Cincinnati under the P. R.-manager charter; City Councilman Charles P. Taft, son of the late President and Chief Justice; and John C. Dempsey.

The City Charter Committee, the League of Women Voters, the *Cincinnati Post*, and other friends of P. R. are waging an aggressive campaign against the amendment, pointing out its sinister possibilities in contrast with Cincinnati's enviable record of sustained good government for thirteen consecutive years. The form of election proposed is almost exactly like the form used in Newark, New Jersey, where part of the city commission is now under indictment and where a vigorous movement to get P. R. and the city manager plan to rescue the city from misgovernment is now taking shape. In essentials it is also very like the form of election used in Kansas City, which adopted the manager plan years ago with high hopes similar to those of Cincinnati but which under this defective method of electing the council has been in bondage to the Pendergast political machine ever since.

P. R. Unconstitutional in Rhode Island

On April 11th one of the most promising P. R. campaigns in the country was frustrated for the time being by a four-to-one decision of the Rhode Island Supreme Court that P. R. is unconstitutional in that state. Governor Vanderbilt and the legislature had both asked the court for an advisory opinion on the constitutionality of the proportional representation provisions of the Providence Charter League's proposed new charter for Providence, which was before the legislature.

The majority opinion outlawing P. R. was signed by Chief Justice Edmund W. Flynn and Associate Justices Hugh B. Baker, Antonio A. Capotosto, and Francis B. Condon. A strong dissenting opinion was filed by Associate Justice William W. Moss.

The majority leaned heavily on a forty-one-year-old Rhode Island opinion (*Opinion of the Judges* (1898), 21 R. I. 599, 41 Atl. 1009) in which the court held that the town of Cumberland could not limit voters to one vote apiece in the election of councilmen at large without violating the provision of article XX, section 1, of the state constitution that persons having certain qualifications "shall have a right to vote in the election of all civil officers." Since P. R. limits each voter to a single effective vote in an area electing several together, even though he may express choices for as many candidates as he wishes, P. R. is held unconstitutional on the same ground. This is the reasoning followed by the courts of Michigan and California and contradicted by the courts of Ohio and New York.

Rhode Island proportionalists were of course aware of the adverse precedent in their own state, but hoped that what seemed patent weaknesses in its logic, together with the recent decision of the respected New York Court of Appeals, would lead to a reversal of the precedent. The Charter League presented an excellent brief in which it pointed out that the accepted district system also confined the

voter to a single vote in electing a body all of whose members pass laws governing him, with much less chance on the average than under P. R. to make that one vote effective in actually electing anyone; that nothing is said in the constitution about voting for all officers in a geographical district; and that if any sort of division into constituencies is to be allowed the P. R. division into equal constituencies of agreeing voters is more logical and gives representation, on terms of closer equality, to more voters.

Justice Moss supported this view. He pointed out that historically the words relied on by the majority were intended merely to define the qualifications of electors and provide that those who were qualified should have equal rights. This test the Hare system of P. R. met better than other systems. Under this system, "with the exception of the comparatively small number of voters whose votes were not counted for any winning candidate, . . . every voter would have an *effective and equal* part in the election of the group of officers to be elected." [Judge Moss underscored the three words in italics.]

"The proportion of voters whose votes would be ineffective under this system," he continued, "would clearly be very much less than the average proportion of ineffective voters would be in an election at large of a group of officers with each voter entitled to cast and to have counted as many votes as there are positions to be filled."

Like the Charter League Justice Moss also emphasized a constitutional provision not mentioned by the majority, article IV, section 10, which gives the legislature the right "to continue to exercise powers they have heretofore exercised, unless prohibited in this constitution." The right of the legislature to "regulate and order the waye and manner of all elections to offices and places of trust" was established in the King Charles charter and has never since been repealed.

The decision rules out the new P. R. charter proposal for Central Falls referred to in this department last month, as well as that of Providence. The Charter League of Providence is already laying plans for a campaign for a legalizing constitutional amendment, to be presented to the legislature next year along with a proposal for city home rule. No amendment presented to the legislature this year or next can be voted on by the electorate till 1941.

Minneapolis to Vote on P. R. for Its School Board

A proposal to adopt the proportional representation system of voting and counting ballots for the election of members of the school board will be voted upon at the city election in Minneapolis June 12th. The proposal comes up as an amendment to the city charter.

The amendment was placed on the ballot at the request of the Minneapolis Charter Commission following local agitation by citizens and groups that the opportunity be provided for city voters to pass upon the P. R. proposal.

There is some doubt whether the Minnesota state constitution will permit P. R. and it is understood that the campaign to secure election of Minneapolis school board members by this method may be preliminary to a court test before a final effort is made to incorporate the system into the general election laws of the state.

The local demand for P. R. in Minneapolis grew out of complaint on the part of citizens in various sections of the city that their areas are not represented on the school board because the members are elected at large and the successful candidates invariably are those who come from the more populous districts. The

supporters of P. R. advanced the system as a method of protecting minorities, thus giving the smaller sections of the city an opportunity to be represented. Preliminary to the June 12th election, however, a proposal will come up for consideration at the primary election on May 8th to discard the city-wide method of electing school board members and substitute the district method. Observers are of the opinion that this proposal will fail and that the real effort to secure better representation on the school board will be the adoption of the P. R. amendment at the later election.

The P. R. amendment contains the standard P. R. provisions. Names are to be rotated on the ballots and provision made for the voter to register his order of choices.

The P. R. movement in Minneapolis culminates an educational effort of several years. The campaign is well organized and the leaders enthusiastic. Chief obstacles to the success of the campaign are citizen indifference and a not sufficiently general understanding of the proposal.

RUDOLPH LEE
Minneapolis Civic Council

P. R. Voted by French Deputies

On March 28th the French Chamber of Deputies approved by 425 votes to 158 an article of a proposed new electoral law providing a party list system of proportional representation for future elections of the chamber. Prospects of adoption in the Senate also were reported to be good.

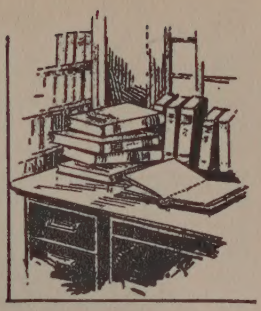
France now elects by majority vote in single-member districts. If no candidate receives an absolute majority on the first balloting, a second election is held a week later and the highest candidate at this second election is elected whether he has an absolute majority or not. Usually all but the two highest candidates are withdrawn before the second election and the weaker parties locally support the one of the leading candidates they prefer. This leads to different combinations of parties in different districts, with resulting difficulties in coöperation after election among members nominally of the same party.

Under the proposed plan the second ballot would be done away with and the districts would be large departments electing several members each. Each party would be permitted to submit a list of candidates in each department and elect one member for every 16,000 votes it received for the list. Remainders would be added together for the whole country and additional members-at-large assigned on the same basis.

France is often mistakenly referred to as an example of bloc government fostered by P. R. Actually France has nothing in the least resembling P. R. at the present time and never had anything that could properly be called P. R. The misconception springs from the fact that a number of years ago it had a system of election which gave some representation to minorities (hardly ever proportional to their strength) in case no party or combination of parties polled an absolute majority in a department.

The system now proposed is very different from the Hare system of proportional representation used in New York, Cincinnati, and other American cities and in other English-speaking communities. It would give the voters far less control over the party organizations in the choice of individual candidates. It would, however, give each organized party its proper proportionate share of the total number elected.

Recent Books Reviewed



EDITED BY ELSIE S. PARKER

Education for American Life. By Luther Halsey Gulick. New York City, The McGraw-Hill Book Company, Inc. (for The Regents' Inquiry into the Character and Cost of Public Education in the State of New York), 1939. xvii, 167 pp. $2.00.

This attractive and readable book is the general report of the Regents' Inquiry into the Character and Cost of Public Education in the State of New York, presenting a new educational program for the state. It summarizes the findings and recommendations of the ten separately published studies of the two-year investigation, which has cost half a million dollars and utilized the best brains in educational research and frontier thinking on the school problem that could be found throughout the land. New York State educators were generally excepted from participation in the study in order that those who made the analysis would bring a perspective to their work unfocused by their own local contacts and experiences.

It would be difficult to praise this report too highly. The inquiry was a monumental piece of work, magnificently conceived and effectively executed. The presentation of the essential findings and recommendations within the covers of this little book is a job of synthesis and artistry that can only be described by the word "beautiful." It is perhaps the most effective piece of condensation and summary of the results of a tremendous research project that this reviewer has ever seen. It is a book which should be read by every citizen in New York State and thoughtful citizens everywhere.

It would require temerity, indeed, to attempt in a few paragraphs a further summary of this report. Suffice it to say that the report recognizes clearly and faces frankly the necessity for a new educational program to meet the requirements of the rising generation in this changing, questioning, uncertain, and turbulent world and presents a program to meet those needs with respect to the following nine basic elements: (1) secondary education, (2) the elementary school, (3) the school district organization, (4) the possibility of economies in school costs, (5) state aid, (6) the teacher, (7) colleges and universities, (8) adult education, and (9) the state education department. The taxpayers will rejoice in the fact that the estimated cost of the many recommendations for extensions of the state educational program are more than balanced by suggested economies, the former totaling $37,980,000 and the latter anywhere from $38,150,000 to $56,550,000.

The shift in emphasis of the program crystallizes perhaps in two points: education for work and education for democracy. The first reflects the greatest failure of our

social and economic system to date; the second, the widely appreciated challenge to the basic philosophy on which our institutions are based. With respect to the latter, there is frank recognition of the failure of our educational system to produce citizens equipped to participate intelligently in the democratic process. In every part of the report, the warp and woof of a pattern is woven which it is hoped will, if adopted, result in the correction of this vital defect in the moving spirit of a democratic nation.

It is to be hoped that this type of presentation will serve as a guide to future research projects. All too frequently in the past the results of valuable studies have been lost to the public because they have been entombed in massive volumes forbidding to the layman.

H. P. J.

The Support of Local Government Activities. By the Committee on Local Government Activities and Revenues. Chicago, Municipal Finance Officers Association, 1939. 75 pp. Fifty cents.

Several weeks ago the National Municipal League issued a pamphlet on the average direct tax burden of an average urban family, in which it was revealed that about $197 of the income of a $2500-a-year family goes to support state and local governments. A flood of editorial comment was the immediate result. All over the country editors seized on this interesting tidbit of information as a point of departure for harangues on the iniquitous costs of government.

Those editorials were a symptom of a national state of mind, semi-hysterical, which too seldom considers soberly the enormous benefits of governmental services and the real problems of providing for the support of those services. This report of the Committee on Local Government Activities and Revenues of the Municipal Finance Officers Association is a useful, calm, and thoughtful example of another more constructive outlook on the cost of local government.

With little waste wordage, the committee undertakes to present the aims of local government, the revenue problems local governments now face, and to suggest a basic program for solution. The chief value of the report is not that its ideas are radical or new, but that they are all there, a complete picture for the citizen and official to ponder.

The best summary of the report can only be a list of some of the main points that are made:

The problem . . . "is the necessity of obtaining sufficient revenue from appropriate sources to adequately support the necessary activities local governments now carry on or are being asked to perform."

Causes of the problem are listed as the growth of local government activities, the expansion of educational and social services, the inelasticities of mandatory expenditures, shrinkage of the base of the property tax, experimentation with new and untried revenue sources, lack of definite state tax sharing and grant-in-aid policies, conflict between federal, state, and local revenue systems, and the lack of a planned relationship between the activities and revenues of local governments.

Twelve principles of relationship between local government activities and revenues are enunciated, all of them broad and fundamental, four courses of local action are suggested to solve the problems and nine courses of state action. The temptation is to list them all, but these are so sparingly discussed in the report itself that no reader need feel disinclined to tackle them in the original.

M. R.

Additional Books and Reports Received

Accident Prevention

Seven Roads to Safety. A program to reduce automobile accidents. By Paul G. Hoffman. New York City, Harper & Brothers, 1939. xii, 87 pp. $1.00.

The Driver. By the Wichita Police Department. Wichita, Kansas, 1938. 40 pp. mimeo.

Accounting

Manual of Accounting Procedure for California Municipalities. By Uniform Accounting Committee. Berkeley, League of California Municipalities, 1939. 177 pp. $2.50.

Billboards

The Billboard, a Blot on Nature and a Parasite on Public Improvements. By Frederick Stuart Greene, Robert Moses, Lithgow Osborne, and Rexford G. Tugwell, with the coöperation of New York Roadside Improvement and Safety Committee. New York, 1939. 43 pp. illus.

Budgeting

Budgeting for California Municipalities. By Uniform Accounting Committee. Berkeley, League of California Municipalities, 1939. 107 pp. $2.50.

Education

Adult Education. By F. W. Reeves, T. Fansler, and C. O. Houle. xvi, 171 pp. $2.00; **High School and Life.** By Francis T. Spaulding. 375 pp. $3.00; **Motion Pictures and Radio.** By Elizabeth Laine. x, 165 pp. $1.75; **Preparation of School Personnel.** By Charles H. Judd. xi, 151 pp. $1.50; **School and Community.** By J. B. Maller. xiii, 360 pp. $3.50; **The School Health Program.** By C. E. A. Winslow. xiii, 120 pp. $1.50. New York, McGraw-Hill Book Company (for The Regents' Inquiry into the Character and Cost of Public Education in the State of New York), 1938 and 1939.

Know Your Board of Education (Leaflet No. 47 in series Know Your School). By United States Office of Education. Washington, D. C., Superintendent of Documents, 1939. 12 pp. Five cents.

The Influence of the Public Works Administration on School Building Construction in New York State, 1933-1936. By Howard T. Herber. New York, Bureau of Publications, Teachers College, Columbia University, 1938. vii, 107 pp. $1.60.

Municipal Government

Civil Liberty in American Cities. Summary of a survey based on 332 American cities of over 10,000 population. By American Civil Liberties Union. New York, 1939. 17 pp. mimeo.

Governmental Organization within the City of New York (fourth edition). By Institute of Public Administration of Columbia University. New York City, 1939. 18 pp. with chart. Twenty-five cents.

Guide to the Municipal Government, City of New York (fourth edition). By Rebecca B. Rankin. Brooklyn, New York, The Eagle Library Inc., 1939. 111 pp. illus. $1.28.

Legal Services of Leagues of Municipalities. By American Municipal Association. Chicago, 1939. 26 pp. mimeo. $1.00.

Specifications for the Annual Municipal Report. Suggested topics and units of measurement for reporting each activity. By International City Managers' Association. Chicago, 1938. 16 pp. mimeo. Fifty cents.

Opinions of the Corporation Counsel and Assistants (Vol. XIX). Edited and compiled by Barnett Hodes. Chicago, Department of Law, 1938. xix, 610 pp.

History of American City Government. The Colonial Period. By Ernest S. Griffith. New York, Oxford University Press, 1938. 464 pp. $3.75.

Personnel

Interim Report of the Committee on Professional Standards. By Civil Service Assembly of the United States and Canada. Chicago, 1938. 35 pp.

Personnel Administration (Preliminary Report). Prepared for Committee on Municipal Government and Fees and Salaries. Topeka, Research Department, Kansas Legislative Council, 1938. xii, 47 pp. mimeo.

Plans for Rating Employees (Studies in Personnel Policy No. 8). By National Industrial Conference Board, Inc. New York, 1938. 40 pp.

Taxation and Finance

Consolidated Loans Funds of Local Authorities. By J. M. Drummond and A. H. Marshall. London, William Hodge and Company, Limited, 1938. 170 pp. 7/6 net.

Financial Statistics of Local Governments in Georgia. By Lloyd B. Raisty. Athens, University of Georgia Press, 1938. xii, 355 pp. $1.50.

Our Taxes—What They Buy. By Maxwell S. Stewart. New York City, Public Affairs Committee, 1939. 32 pp. Ten cents.

Report of the Tax Study Commission, State of Michigan. Detroit, Office of the Commission, 1939. vii, 68 pp.

Report on Taxes Payable by Electric Utilities to State and Local Governments in the State of Tennessee. By Tennessee Taxpayers Association, Inc. Nashville, Tennessee, 1939. 15 pp. mimeo.

NATION'S CAPITAL

(Continued from Page 373

and con in the newspapers of the district. In March and April hearings on the plan were held by the House committee and much testimony was taken. Usually interested groups have hit only such portions of the bill as would modify or abolish the particular branch of the district government in which they have special interest. The library trustees and the school board do not favor the proposed reorganization plans as affecting them. Citizens' committees have shown quite a bit of dissatisfaction because the plan carries no recommendation as to whether the council members should be elective or appointive. The plan has also drawn much fire because it sidesteps the issue of suffrage for the citizens of the district. Many citizens' organizations also decry the fact that there is no proposal for self-determination of the way tax moneys shall be collected and spent.

Mr. Prettyman, former corporation counsel mentioned above, listed sixteen points of issue with the Griffenhagen plan. His own plan, supported by the Citizens' Committee, urged retention of the Board of Commissioners, advocated election of district delegates in Congress, two of whom would sit with the commissioners as the city's ordinance-making body. It also urged the retention of library and schools under independent boards rather than placing them under a manager as called for in the present report.

Whether the Griffenhagen plan will be accepted by Congress, or whether it will meet the fate of previous surveys of the nation's capital, cannot be foreseen at this time; but acceptance of its major provisions would be a long step in the direction of giving the city the modern governmental setup which it so badly needs.